

COMMONWEALTH OF PENNSYLVANIA
Legislative Journal

WEDNESDAY, JUNE 25, 2003

SESSION OF 2003 187TH OF THE GENERAL ASSEMBLY

No. 46

SENATE

WEDNESDAY, June 25, 2003

The Senate met at 11 a.m., Eastern Daylight Saving Time.

The PRESIDENT (Lieutenant Governor Catherine Baker Knoll) in the Chair.

PRAYER

The Chaplain, Reverend Dr. STEPHEN R. MELTON, of Silver Spring Presbyterian Church, Mechanicsburg, offered the following prayer:

Let us pray.

Almighty God, thank You for this great Commonwealth that we call home, and thank You for these who are chosen to govern us, these men and women. They are in the midst of making difficult decisions, and so guide them, O God. Give them humility to know when to compromise. Give them inspiration so that the choices they make may be so clearly right that all may sigh with relief. Lord, watch over them. Bring healing graces to those among them and those they love who are ill. Bring consolation to those who are grieving, and bring Yourself to those who are feeling lost.

Bless them and bless all of us to Your service, and at the end of the day, may we have a word of gratitude on our lips and a sense of peace in our hearts. In all hope we pray, in all hope we pray. Amen.

The PRESIDENT. The Chair thanks Reverend Dr. Melton, who is the guest today of Senator Stout.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by those assembled.)

JOURNAL APPROVED

The PRESIDENT. A quorum of the Senate being present, the Clerk will read the Journal of the preceding Session of June 24, 2003.

The Clerk proceeded to read the Journal of the preceding Session, when, on motion of Senator BRIGHTBILL, and agreed to by voice vote, further reading was dispensed with and the Journal was approved.

HOUSE MESSAGES

HOUSE BILLS FOR CONCURRENCE

The Clerk of the House of Representatives presented to the Senate the following bills for concurrence, which were referred to the committees indicated:

June 24, 2003

HB 888 -- Committee on Aging and Youth.

June 25, 2003

HB 276 -- Committee on Consumer Protection and Professional Licensure.

HB 613 -- Committee on Environmental Resources and Energy.

HB 745 -- Committee on State Government.

HB 885 -- Committee on Banking and Insurance.

**HOUSE CONCURS IN SENATE
CONCURRENT RESOLUTION**

The Clerk of the House of Representatives informed the Senate that the House has concurred in the resolution from the Senate, entitled:

Weekly adjournment.

BILLS INTRODUCED AND REFERRED

The PRESIDENT laid before the Senate the following Senate Bills numbered, entitled, and referred as follows, which were read by the Clerk:

June 25, 2003

Senator THOMPSON presented to the Chair **SB 846**, entitled:

An Act authorizing the release of Project 70 restrictions imposed on certain lands owned by the Township of Willistown, Chester County, and imposing Project 70 restrictions on certain lands being conveyed to the township.

Which was committed to the Committee on STATE GOVERNMENT, June 25, 2003.

Senators WENGER, LEMMOND, LOGAN, COSTA, ORIE, WOZNIAK, KITCHEN, BOSCOLA, WAUGH, WONDERLING and CORMAN presented to the Chair SB 847, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for sales and use tax on washing, cleaning and waxing of motor vehicles.

Which was committed to the Committee on FINANCE, June 25, 2003.

Senators DENT, BOSCOLA and THOMPSON presented to the Chair SB 848, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for the period of limitation in the doctrine of adverse possession; and making repeals.

Which was committed to the Committee on JUDICIARY, June 25, 2003.

Senator MELLOW presented to the Chair SB 850, entitled:

An Act authorizing the City of Scranton and Redevelopment Authority of the City of Scranton, Lackawanna County, to transfer, sell and convey certain Project 70 lands free of restrictions imposed by the Project 70 Land Acquisition and Borrowing Act.

Which was committed to the Committee on STATE GOVERNMENT, June 25, 2003.

RESOLUTION INTRODUCED AND REFERRED

The PRESIDENT laid before the Senate the following Senate Resolution numbered, entitled, and referred as follows, which was read by the Clerk:

June 25, 2003

Senator BRIGHTBILL presented to the Chair SR 113, entitled:

A Resolution commemorating August 9, 2003, as Ohio Township's bicentennial.

Which was committed to the Committee on RULES AND EXECUTIVE NOMINATIONS, June 25, 2003.

APPOINTMENT BY THE MINORITY LEADER

The PRESIDENT. The Chair wishes to announce the Minority Leader has made the following appointment:

Mr. James P. Cappucci as a member of the State Agricultural Land Preservation Board.

BILL REPORTED FROM COMMITTEE

Senator SCARNATI, from the Committee on Labor and Industry, reported the following bill:

SB 818 (Pr. No. 1031) (Amended)

An Act amending the act of August 15, 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage Act, further defining "public work"; and further providing for duty of secretary.

LEGISLATIVE LEAVES

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator BRIGHTBILL.

Senator BRIGHTBILL. Madam President, I ask for a legislative leave for Senator Helfrick, and temporary Capitol leaves for Senator Erickson and Senator Mary Jo White.

The PRESIDENT. Senator BRIGHTBILL requests a legislative leave for Senator Helfrick, and temporary Capitol leaves for Senator Erickson and Senator Mary Jo White. Without objection, the leaves will be granted.

The Chair recognizes the gentlewoman from Montgomery, Senator Constance Williams.

Senator C. WILLIAMS. Madam President, I ask for a temporary Capitol leave for Senator Tartaglione.

The PRESIDENT. Senator Constance Williams requests a temporary Capitol leave for Senator Tartaglione. Without objection, the leave will be granted.

LEAVE OF ABSENCE

Senator PIPPY remains on military leave pursuant to Senate Rule XXI(3).

CALENDAR

HB 1105 CALLED UP OUT OF ORDER

HB 1105 (Pr. No. 2167) -- Without objection, the bill was called up out of order, from page 2 of the Third Consideration Calendar, by Senator BRIGHTBILL, as a Special Order of Business.

BILL REREPORTED FROM COMMITTEE AS AMENDED ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1105 (Pr. No. 2167) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, providing for the composition and expiration of the Pennsylvania Veterans' Memorial Commission and for the administration of the Pennsylvania Veterans' Memorial Trust Fund.

Considered the third time and agreed to,
And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-49

Armstrong	Hughes	Orie	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Pileggi	Waugh
Conti	Kitchen	Punt	Wenger
Corman	Kukovich	Rafferty	White, Donald
Costa	LaValle	Rhoades	White, Mary Jo
Dent	Lemmond	Robbins	Williams, Anthony H.
Earl	Logan	Scarnati	Williams, Constance
Erickson	Madigan	Schwartz	Wonderling

Ferlo	Mellow	Stack	Wozniak
Fumo	Mowery	Stout	
Greenleaf	Musto	Tartaglione	
Helfrick	O'Pake	Thompson	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

**SPECIAL ORDER OF BUSINESS
GUESTS OF SENATOR ROBERT C.
JUBELIRER PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Madam President, I am deeply honored to introduce some very special guests in the gallery. Jodi Cessna, who is from my district and from the city of Altoona, has been selected as Mrs. Pennsylvania. She is here today and will be competing in the national pageant in Tennessee, and with her is her daughter, Sammy, and I ask all Members of the Senate to please greet, congratulate, and thank Jodi Cessna for being our representative as Mrs. Pennsylvania, and her daughter, Sammy, who is with us here today.

(Applause.)

**GUESTS OF LIEUTENANT GOVERNOR
CATHERINE BAKER KNOLL PRESENTED
TO THE SENATE**

The PRESIDENT. The Chair has guests who are here from Nigeria, from the embassy there and from business in Nigeria. First I would like to introduce Akandu Nwosu and his guest, Brigitte Welles. Next is a businessman from Paris, Saline Traudi, and his assistant, Katrina Rondeau-Morin, and Brigid Des-Ogugua, also from Nigeria who is now a resident of Pennsylvania. Would our guests please stand so the Senate can give you a round of applause.

(Applause.)

**GUESTS OF SENATOR MICHAEL J.
STACK PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Stack.

Senator STACK. Madam President, I have the privilege of introducing a very special guest today, Alicia Zumpino, and hers is a name we might be hearing a lot of in the future, because she is Alicia Zumpino, Miss Philadelphia 2003. I met her when she attended a parade in my district, and during our conversation, I invited her here to visit us in the Capitol. I am delighted she was able to make it here today, and she is very excited about meeting all of the Senators, and in fact, her Senator is Senator Tomlinson.

Alicia is a remarkable young lady. She graduated from Temple University this spring with summa cum laude honors and financed her entire education herself. She developed and

implemented a citywide program to collect shoes for the children of Iraq called Steps to a Brighter Future. She established and organized a Red Cross blood drive at Temple University. She is very active in the Big Brother-Big Sister organization, and she has received more scholastic honors and awards than I have time to mention here.

As Miss Philadelphia she has been visiting every middle school in the area, sharing with students her message of youth empowerment to impress upon them that education is the key to their future and encouraging them to make the most of every educational opportunity, so that they can become the best that they can be and achieve their dreams. Winning the title of Miss Philadelphia earned Alicia an \$8,000 scholarship, which Drexel University offered to match if she pursued her graduate studies there, and so she plans to do just that, with the intention of earning a graduate degree in communication, with one goal in mind, Madam President: Alicia aspires to one day be the White House Press Secretary. She begins the competition for Miss Pennsylvania on July 6, so I am sure we all want to wish her the best of luck. She is joined here today by her father, Robert Zumpino, and the executive director of the Miss Philadelphia scholarship program, Agnes White. So we are honored to have them here today, and I ask that my colleagues join me in extending them a very warm welcome.

Thank you, Madam President.

The PRESIDENT. Would the guests of Senator Stack please rise so we can give you a welcome.

(Applause.)

**GUESTS OF SENATOR CONSTANCE H.
WILLIAMS PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentlewoman from Montgomery, Senator Connie Williams.

Senator C. WILLIAMS. Madam President, today seated in the gallery are two of my constituents, lifelong residents of the 17th Senatorial District. Walter and Dorothy Kurish live in West Conshohocken and are both active in civic and community affairs. Mr. Kurish is currently the borough tax collector and earlier sat on the zoning hearing board, while Mrs. Kurish has worked in borough hall and has been active in lobbying issues before borough council. They raised four sons in my district, Madam President, all who have continued their fine example of civic and community service. They are here in Harrisburg today visiting one of their sons, James P. Kurish, who serves as press secretary to Senator Mellow. JP's wife, Laura, and his daughters, Alexa, Sarah, and Nicole, are also here with their grandparents in the gallery. Please give them all the best Senate welcome.

The PRESIDENT. Would the guests of Senator Constance Williams please rise so we can give you a warm welcome.

(Applause.)

**GUEST OF SENATOR VINCENT J.
FUMO PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I would like to take this moment to introduce to the Senate someone who is really not a

stranger to those of us who have been with the Senate for a long time. With us today is Jerry Sabol, who has been the senior analyst in charge of agriculture and in charge of basic education. He knew the formula when none of us understood it. I do not think we still understand it. I think he still does. Unfortunately, Jerry has seen the light, and he is leaving this august body for retirement, something I think many of us are envious of.

Jerry started his career with the government 36 years ago in Pennsylvania, worked for the executive branch, and has worked for the Senate now for almost 25 years. So I would like the Senate to give him a warm goodbye as he goes off into retirement, although he does promise to continue to help me and advise me on my farming procedures.

The PRESIDENT. Jerry Sabol, please rise.

(Applause.)

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, at this time I ask for a recess of the Senate, first for a meeting of the Committee on Rules and Executive Nominations, which will begin immediately in the Rules room, to be followed by a Republican caucus, which will be held downstairs in the Majority Caucus Room. I would imagine that we will be in there at least 1 to 2 hours, perhaps longer.

The PRESIDENT. Senator Brightbill requests a recess for a meeting of the Committee on Rules and Executive Nominations, followed by a Republican caucus.

The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I ask the Democratic Members of the Committee on Rules and Executive Nominations to report to that room. We do not need a caucus. We are ready to roll.

The PRESIDENT. Senator Fumo requests the Democratic Members of the Committee on Rules and Executive Nominations to report to the Rules room. Without objection, the Senate stands in recess.

AFTER RECESS

The PRESIDENT. The time of recess having expired, the Senate will come to order.

SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Consent has been given for the Committee on State Government to meet in the Rules room during today's Session to consider Senate Bills No. 506, 819, 846, and 850.

CONSIDERATION OF CALENDAR RESUMED

THIRD CONSIDERATION CALENDAR

BILL REREPORTED FROM COMMITTEE AS AMENDED, AMENDED

SB 10 (Pr. No. 1026) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 12 (Commerce and Trade) and 72 (Taxation and Fiscal Affairs) of the Pennsylvania Consolidated Statutes, codifying portions of the Economic Development Financing Law and further providing for contract requirements and for Commonwealth obligations; codifying portions of the Job Enhancement Act and further providing for contract requirements, for guidelines, for administration and for application and review requirements; codifying portions of the Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act and further providing for keystone opportunity expansion subzones and for keystone opportunity improvement zones; providing for the Project Review Committee, for Keystone Innovation Zones, for the Economic Enhancement Program, for the Economic Enhancement Financing Program, for the Core Industries Infrastructure Capitalization Program, for the Water and Wastewater Infrastructure Capitalization Program, for the First Industries Program, for the Secondary Growth Stage Financing Program, for primary growth stage investment providing for the Economic Enhancement Fund; codifying the Capital Facilities Debt Enabling Act; further providing for definitions, for procedures for capital budget and debt authorizing legislation, for bonds, for appropriations for and limitations on redevelopment assistance and site development capital projects, and for funding and administration of redevelopment assistance capital projects; providing for funding and administration of site development capital projects and for the Capital Project Oversight and Review Committee; continuing debt authorization; making repeals; requiring a referendum; and making appropriations.

On the question,

Will the Senate agree to the bill on third consideration?

Senator BRIGHTBILL offered the following amendment No. A2367:

Amend Sec. 1.1 (Sec. 9117), page 164, line 14, by striking out "\$1,950,000,000" and inserting: \$1,550,000,000

Amend Sec. 1.1 (Sec. 9118), page 165, lines 5 through 30; page 166, lines 1 through 19, by striking out "THE COMMITTEE FOR" in line 5, all of lines 6 through 30, page 165 and all of lines 1 through 19, page 166 and inserting: the Secretary of the Budget for review.

(b) Review and approval.—The Secretary of the Budget, in consultation with the Secretary of Community and Economic Development, shall review completed applications and shall approve or disapprove applications for redevelopment assistance capital projects. If an application is approved, the Secretary of the Budget shall execute a grant

Amend Sec. 1.1 (Sec. 9118), page 166, line 22, by striking out "(D)" and inserting: (c)

Amend Sec. 1.1 (Sec. 9118), page 166, lines 23 through 28, by striking out all of lines 23 through 27 and "(D)" in line 28 and inserting: (c)

Amend Sec. 1.1 (Sec. 9118), page 166, line 30, by striking out "SECRETARY OR THE COMMITTEE" and inserting: Secretary of the Budget

Amend Sec. 1.1 (Sec. 9118), page 167, line 2, by striking out "(E)" and inserting: (d)

Amend Sec. 1.1 (Sec. 9118), page 167, line 7, by striking out "(F)" and inserting: (e)

Amend Sec. 1.1 (Sec. 9118), page 167, line 10, by striking out "(G)" and inserting: (f)

Amend Sec. 1.1 (Sec. 9118), page 167, line 13, by striking out "BY THE COMMITTEE"

Amend Sec. 1.1 (Sec. 9118), page 167, line 17, by striking out "(H)" and inserting: (g)

Amend Sec. 1.1 (Sec. 9118), page 167, line 27, by striking out "(I)" and inserting: (h)

Amend Sec. 1.1 (Sec. 9118), page 168, line 5, by striking out "(J)" and inserting: (i)

Amend Sec. 1.1 (Sec. 9120), page 171, line 29, by striking out "REDEVELOPMENT ASSISTANCE CAPITAL PROJECTS AND"

Amend Sec. 1.1 (Sec. 9120), page 172, lines 24 and 25, by striking out "A REDEVELOPMENT ASSISTANCE CAPITAL PROJECT OR"

Amend Sec. 5.1, page 191, lines 23 and 24, by striking out "(B), (C)," in line 23 and all of line 24 and inserting: (g) and (i).

On the question,
Will the Senate agree to the amendment?

It was agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator BRIGHTBILL.

SB 100 CALLED UP OUT OF ORDER

SB 100 (Pr. No. 1027) -- Without objection, the bill was called up out of order, from page 2 of the Third Consideration Calendar, by Senator BRIGHTBILL, as a Special Order of Business.

BILL AMENDED

SB 100 (Pr. No. 1027) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, further providing for per capita taxes; providing for the imposition and collection of an earned income and net profits tax by school districts after approval by the electors; providing for applicability of referendum exceptions; and further providing for the mandate waiver program.

On the question,
Will the Senate agree to the bill on third consideration?

Senator BRIGHTBILL offered the following amendment No. A2376:

Amend Sec. 2 (Sec. 611-A), page 8, line 27, by striking out "COUNTY" and inserting: second class A county governed by a home rule charter

Amend Sec. 2 (Sec. 623-A), page 21, line 30, by striking out "payment of a tax on salaries, wages," and inserting: the following apply:

(1) This subsection only applies to a taxpayer who is not a resident of a city of the first class but who is subject to the tax on salaries, wages, commissions or other compensation imposed by a city of the first class under the authority of the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

(2) Payment of a tax on salaries, wages,

Amend Sec. 2 (Sec. 623-A), page 22, lines 8 and 9, by striking out "the" where it appears the third time in line 8 and all of line 9

Amend Sec. 4, page 29, lines 4 and 5, by striking out "(9) and (10)" and inserting: (9), (10) and (11)

On the question,
Will the Senate agree to the amendment?

It was agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator BRIGHTBILL.

HB 1406 CALLED UP OUT OF ORDER

HB 1406 (Pr. No. 1740) -- Without objection, the bill was called up out of order, from page 3 of the Third Consideration

Calendar, by Senator BRIGHTBILL, as a Special Order of Business.

BILL AMENDED

HB 1406 (Pr. No. 1740) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating political subdivisions as rural areas for purposes of Medicare hospital service payments.

On the question,
Will the Senate agree to the bill on third consideration?

Senator RHOADES offered the following amendment No. A2365:

Amend Sec. 2, page 1, lines 11 and 12, by striking out "the political subdivisions of Coaldale" in line 11 and all of line 12 and inserting: hospitals designated as Medicare dependent hospitals as of September 30, 2000, are hereby designated as rural hospitals,

Amend Sec. 2, page 1, line 14, by striking out ", as rural areas"

Amend Bill, page 1, by inserting between lines 14 and 15:

Section 3. If this act is enacted after June 30, 2003, this act shall apply retroactively to June 30, 2003.

Amend Sec. 3, page 1, line 15, by striking out "3" and inserting: 4

On the question,
Will the Senate agree to the amendment?

It was agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator BRIGHTBILL.

**COMMUNICATIONS FROM THE GOVERNOR
REPORTED FROM COMMITTEE ON RULES
AND EXECUTIVE NOMINATIONS**

Senator ROBBINS, from the Committee on Rules and Executive Nominations, reported communications from His Excellency, the Governor of the Commonwealth, recalling the following nominations, which were read by the Clerk as follows:

**MEMBER OF THE PENNSYLVANIA
INDUSTRIAL DEVELOPMENT AUTHORITY**

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 11, 2003, for the appointment of John A. Dawkins, III, 8807 Carlisle Road, Wyndmoor 19038, Montgomery County, Seventh Senatorial District, as a member of the Pennsylvania Industrial Development Authority, to serve until July 24, 2004, and until his successor is appointed and qualified, vice David E. Barendfeld, Ellwood City, serves at the pleasure of the Governor.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor.

MEMBER OF THE PENNSYLVANIA
INDUSTRIAL DEVELOPMENT AUTHORITY

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 11, 2003, for the appointment of Abbe Fletman, 422 West Price Street, Philadelphia 19144, Philadelphia County, Third Senatorial District, as a member of the Pennsylvania Industrial Development Authority, to serve until July 24, 2005, and until her successor is appointed and qualified, vice Kenneth L. Tepper, Philadelphia, serves at the pleasure of the Governor.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA
INDUSTRIAL DEVELOPMENT AUTHORITY

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 11, 2003, for the appointment of Carl Greene, 1420 Locust Street, Apartment 121, Philadelphia 19102, Philadelphia County, First Senatorial District, as a member of the Pennsylvania Industrial Development Authority, to serve until July 24, 2007, and until his successor is appointed and qualified, vice David E. Tungate, Pittsburgh, serves at the pleasure of the Governor.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA
INDUSTRIAL DEVELOPMENT AUTHORITY

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 11, 2003, for the appointment of Tom Knox, 1830 Rittenhouse Square, Philadelphia 19103, Philadelphia County, First Senatorial District, as a member of the Pennsylvania Industrial Development Authority, to serve until July 24, 2006, and until his successor is appointed and qualified, vice John P. Kameen, Forest City, serves at the pleasure of the Governor.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA
INDUSTRIAL DEVELOPMENT AUTHORITY

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 11, 2003, for the appointment of Frank Mascara, 831 Lincoln Avenue, Charleroi 15022, Washington County, Thirty-second Senatorial District, as a member of the Pennsylvania Industrial Development Authority, to serve until July 24, 2004, and until his successor is appointed and qualified, vice Timothy M. Pulte, Glen Mills, serves at the pleasure of the Governor.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of Richard Block, 517 South Sixth Street, Unit C, Philadelphia 19147, Philadelphia County, First Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice William R. Davis, Greensburg, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of Samuel A. Brackeen, III, 8407 Newbold Lane, Laverock 19038, Montgomery County, Seventh Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice Alfonso Frioni, Jr., Esquire, Mount Lebanon, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 25, 2003, for the appointment of Joseph Coughlin, 619 Third Avenue, Croydon 19021, Bucks County, Sixth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, add to complement.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of Harold V. Fergus, Jr., 102 LeMoyné Avenue, Washington 15301, Washington County, Forty-sixth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 25, 2003, for the appointment of Robert Krebs, 3235 Comanche Road, Pittsburgh 15241, Allegheny County, Thirty-seventh Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice *[sic]* add to complement.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 25, 2003, for the appointment of John C. McFadden, 140 Woodhill Lane, Media 19062, Delaware County, Twenty-sixth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, add to complement.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of Henry Lee Moore, 265 Montana Street, Irwin 15642, Westmoreland County, Thirty-ninth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice Daniel R. Fleck, Thornburg, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of Joseph Rafferty, 14420 Townsend Road, Philadelphia 19154, Philadelphia County, Fifth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice William J. Atkinson, Langhorne, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 9, 2003, for the appointment of Thomas E. Reiber, 1318 Perry Highway, Portersville 16051, Butler County, Twenty-first

Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice Joseph P. Santone, Erie, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of The Honorable Harry Schwartz, 461 Pinewood Road, Philadelphia 19116, Philadelphia County, Fifth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 9, 2003, for the appointment of Lisa A. Watkins, 1220 Ricewynn Road, Wyncote 19095, Montgomery County, Fourth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until her successor is appointed and qualified, vice Robert T. McIntyre, Scranton, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated March 27, 2003, for the appointment of Delores Wilson, 1901 JFK Boulevard, Apartment 1519, Philadelphia 19103, Philadelphia County, First Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until her successor is appointed and qualified.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

MEMBER OF THE WORKERS' COMPENSATION
APPEAL BOARD

June 24, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 9, 2003, for the appointment of James Young, 2038 Susquehanna Street, Harrisburg 17102, Dauphin County, Fifteenth Senatorial District, as a member of the Workers' Compensation Appeal Board, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice Gail L. O'Neal, Middletown, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

NOMINATIONS RETURNED TO THE GOVERNOR

Senator ROBBINS. Madam President, I move that the nominations just read by the Clerk be returned to His Excellency, the Governor.

A voice vote having been taken, the question was determined in the affirmative.

The PRESIDENT. The nominations will be returned to the Governor.

**REPORT FROM COMMITTEE ON
RULES AND EXECUTIVE NOMINATIONS**

Senator ROBBINS, from the Committee on Rules and Executive Nominations, reported the following nominations made by His Excellency, the Governor of the Commonwealth, which were read by the Clerk as follows:

MEMBER OF THE COUNCIL OF TRUSTEES OF
SHIPPENSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Lory B. Naugle, 870 Remington Drive, Shippensburg 17257, Franklin County, Thirty-third Senatorial District, for reappointment as a member of the Council of Trustees of Shippensburg University of Pennsylvania of the State System of Higher Education, to serve until the third Tuesday of January 2009, and until her successor is appointed and qualified.

EDWARD G. RENDELL
Governor

MEMBER OF THE FOREST COUNTY
BOARD OF ASSISTANCE

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Gordon Nygren, (Republican), P.O. Box 56, Tionesta 16353, Forest County, Twenty-first Senatorial District, for appointment as a member of the Forest County Board of Assistance, to serve until December 31, 2005, and until his successor is appointed and qualified, vice Dorothy Davis, Tionesta, resigned.

EDWARD G. RENDELL
Governor

MEMBER OF THE MONROE COUNTY
BOARD OF ASSISTANCE

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Andy Worthington, (Republican), Route 209, Box 447, Bushkill 18324, Monroe County, Twentieth Senatorial District, for appointment as a member of the Monroe County Board of Assistance, to serve until December 31, 2004, and until his successor is appointed and qualified, vice Elizabeth W. Gaunt, Stroudsburg, resigned.

EDWARD G. RENDELL
Governor

MEMBER OF THE WYOMING COUNTY
BOARD OF ASSISTANCE

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Stella Litwin, (Republican), 123 West Tioga Street, Tunkhannock 18657, Wyoming County, Twentieth Senatorial District, for appointment as a member of the Wyoming County Board of Assistance, to serve until December 31, 2005, and until her successor is appointed and qualified, vice Jerome F. Fuhr, Tunkhannock, resigned.

EDWARD G. RENDELL
Governor

NOMINATIONS LAID ON THE TABLE

Senator ROBBINS. Madam President, I request that the nominations just read by the Clerk be laid on the table.

The PRESIDENT. The nominations will be laid on the table.

EXECUTIVE NOMINATIONS

EXECUTIVE SESSION

Motion was made by Senator ROBBINS,
That the Senate do now resolve itself into Executive Session for the purpose of considering certain nominations made by the Governor.

Which was agreed to by voice vote.

NOMINATIONS TAKEN FROM THE TABLE

Senator ROBBINS. Madam President, I call from the table certain nominations and ask for their consideration.

The Clerk read the nominations as follows:

MEMBER OF THE COUNCIL OF TRUSTEES OF
SHIPPENSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Lory B. Naugle, 870 Remington Drive, Shippensburg 17257, Franklin County, Thirty-third Senatorial District, for reappointment as a member of the Council of Trustees of Shippensburg University of Pennsylvania of the State System of Higher Education, to serve until the third Tuesday of January 2009, and until her successor is appointed and qualified.

EDWARD G. RENDELL
Governor

MEMBER OF THE FOREST COUNTY
BOARD OF ASSISTANCE

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Gordon Nygren, (Republican), P.O. Box 56, Tionesta 16353, Forest County, Twenty-first Senatorial District, for appointment as a member of the Forest County Board of Assistance, to serve until December 31, 2005, and until his successor is appointed and qualified, vice Dorothy Davis, Tionesta, resigned.

EDWARD G. RENDELL
Governor

MEMBER OF THE MONROE COUNTY
BOARD OF ASSISTANCE

April 17, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Andy Worthington, (Republican), Route 209, Box 447, Bushkill 18324, Monroe County, Twentieth Senatorial District, for appointment as a member of the Monroe County Board of Assistance, to serve until December 31, 2004, and until his successor is appointed and qualified, vice Elizabeth W. Gaunt, Stroudsburg, resigned.

EDWARD G. RENDELL
Governor

MEMBER OF THE WYOMING COUNTY BOARD OF ASSISTANCE

April 17, 2003

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Stella Litwin, (Republican), 123 West Tioga Street, Tunkhannock 18657, Wyoming County, Twentieth Senatorial District, for appointment as a member of the Wyoming County Board of Assistance, to serve until December 31, 2005, and until her successor is appointed and qualified, vice Jerome F. Fuhr, Tunkhannock, resigned.

EDWARD G. RENDELL Governor

On the question, Will the Senate advise and consent to the nominations?

The yeas and nays were required by Senator ROBBINS and were as follows, viz:

YEA-49

Table listing names of senators in support (YEA-49): Armstrong, Hughes, Orié, Tomlinson, Boscola, Jubelirer, Piccola, Wagner, Brightbill, Kasunic, Pileggi, Waugh, Conti, Kitchen, Punt, Wenger, Corman, Kukovich, Rafferty, White, Donald, Costa, LaVallé, Rhoades, White, Mary Jo, Dent, Lemmond, Robbins, Williams, Anthony H., Earll, Logan, Scarnati, Williams, Constance, Erickson, Madigan, Schwartz, Wonderling, Ferlo, Mellow, Stack, Wozniak, Fumo, Mowery, Stout, Greenleaf, Musto, Tartaglione, Helfrick, O'Pake, Thompson.

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Governor be informed accordingly.

EXECUTIVE SESSION RISES

Senator ROBBINS. Madam President, I move that the Executive Session do now rise.

The motion was agreed to by voice vote.

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 3

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1406 (Pr. No. 2218) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating political subdivisions as rural areas for purposes of Medicare hospital service payments.

Considered the third time and agreed to, And the amendments made thereto having been printed as required by the Constitution,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-49

Table listing names of senators in support (YEA-49): Armstrong, Hughes, Orié, Tomlinson, Boscola, Jubelirer, Piccola, Wagner, Brightbill, Kasunic, Pileggi, Waugh, Conti, Kitchen, Punt, Wenger, Corman, Kukovich, Rafferty, White, Donald, Costa, LaVallé, Rhoades, White, Mary Jo, Dent, Lemmond, Robbins, Williams, Anthony H., Earll, Logan, Scarnati, Williams, Constance, Erickson, Madigan, Schwartz, Wonderling, Ferlo, Mellow, Stack, Wozniak, Fumo, Mowery, Stout, Greenleaf, Musto, Tartaglione, Helfrick, O'Pake, Thompson.

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 1

BILL REREPORTED FROM COMMITTEE AS AMENDED ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 10 (Pr. No. 1038) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 12 (Commerce and Trade) and 72 (Taxation and Fiscal Affairs) of the Pennsylvania Consolidated Statutes, codifying portions of the Economic Development Financing Law and further providing for contract requirements and for Commonwealth obligations; codifying portions of the Job Enhancement Act and further providing for contract requirements, for guidelines, for administration and for application and review requirements; codifying portions of the Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act and further providing for keystone opportunity expansion subzones and for keystone opportunity improvement zones; providing for the Project Review Committee, for Keystone Innovation Zones, for the Economic Enhancement Program, for the Economic Enhancement Financing Program, for the Core Industries Infrastructure Capitalization Program, for the Water and Wastewater Infrastructure Capitalization Program, for the First Industries Program, for the Secondary Growth Stage Financing Program, for primary growth stage investment providing for the Economic Enhancement Fund; codifying the Capital Facilities Debt Enabling Act; further providing for definitions, for procedures for capital budget and debt authorizing legislation, for bonds, for appropriations for and limitations on redevelopment assistance and site development capital projects, and for funding and administration of redevelopment assistance capital projects; providing for funding and administration of site development capital projects and for the Capital Project Oversight and Review Committee; continuing debt authorization; making repeals; requiring a referendum; and making appropriations.

Considered the third time and agreed to,
And the amendments made thereto having been printed as
required by the Constitution,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from
Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, Senate Bill No. 10
is a bill that we believe ultimately encompasses the initiatives of
Governor Rendell in terms of economic development. At this
point in time, we are asking the Members to pass this bill, to vote
"aye," to move along the process. We have been working closely
with Senator Mellow and his staff, the House Members, and the
Governor's Office, and we believe that we will see this bill back
in the future as we begin to finalize this process. I would also
mention that Senator Punt, our chairman, has been working very
closely with our Members and with the people I mentioned
before, and we expect to have a final product by the middle of
next week.

The PRESIDENT. The Chair recognizes the gentleman from
Westmoreland, Senator Kukovich.

Senator KUKOVICH. Madam President, we did not get a
chance to caucus in great detail on this today, and there is some
concern from some of the Members about Senate Bill No. 10. It
is my understanding, and even though there are still major
problems with this bill, not only in substance but in procedure,
that as a show of good faith, I think the bill that was offered will
move the process along and hopefully get us to negotiate not only
with the other side of the Capitol building but also with the
executive branch to come up with an economic stimulus plan
with which we all agree, I will not offer the amendment I have
drafted.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of
the Constitution and were as follows, viz:

YEA-49

Armstrong	Hughes	Orie	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Pileggi	Waugh
Conti	Kitchen	Punt	Wenger
Corman	Kukovich	Rafferty	White, Donald
Costa	LaValle	Rhoades	White, Mary Jo
Dent	Lemmond	Robbins	Williams, Anthony H.
Earll	Logan	Scarnati	Williams, Constance
Erickson	Madigan	Schwartz	Wonderling
Ferlo	Mellow	Stack	Wozniak
Fumo	Mowery	Stout	
Greenleaf	Musto	Tartaglione	
Helfrick	O'Pake	Thompson	

NAY-0

A constitutional majority of all the Senators having voted
"aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to
the House of Representatives for concurrence.

SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 2

BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE

SB 100 (Pr. No. 1039) -- The Senate proceeded to
consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30, No.14),
known as the Public School Code of 1949, further providing for per
capita taxes; providing for the imposition and collection of an earned
income and net profits tax by school districts after approval by the
electors; providing for applicability of referendum exceptions; and
further providing for the mandate waiver program.

On the question,
Will the Senate agree to the bill on third consideration?

The PRESIDENT. The Chair recognizes the gentleman from
Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Madam President, I would
like the opportunity to make a few remarks. Madam President,
over 35 years, countless property tax relief plans have been
offered. With one exception, they failed to get the necessary
support and approval because of regional differences, because of
entanglements between the conflicting goals of tax relief and
increased education funding, and because of the lack of controls
which have left the taxpayers at risk. Hard experience has taught
critical lessons for any serious effort. It has taught that it is
impossible to satisfy every interest on this issue. It is impossible
to do a plan where everyone wins, or nearly everyone wins, for
that matter. It is equally impossible to iron out every problem
with local taxes and education funding in one piece of legislation.

So what we propose in Senate Bill No. 100 is a return to the
basics of property tax relief, creating the opportunity to reduce
and replace property taxes in school districts, keeping the
decisions in local hands, giving the voters the chance to approve
or reject the switch, and providing a measure of taxpayer
protection in the years to come. We have asked people questions
on this subject many times, and the answer comes up the same.
They overwhelmingly prefer the exchange of taxes to occur
locally. They want a say in the decisionmaking as taxpayers
already have in 43 other States, and they want protection against
property taxes jumping back up again in the future. These are the
ingredients combined in Senate Bill No. 100.

Last night Senator Mellow identified the primary flaw of Act
50, the one property tax relief implemented anywhere, the only
one in my nearly 29 years here that has ever been implemented,
when he said local school districts found it completely
unpalatable. We gave the boards absolute discretion in Act 50,
and in nearly every case they guarded their power and rejected
the taxpayer interest in relief. As few as five individuals in some
places, and as many as nine in other school districts, told
thousands of hard-pressed homeowners they were not going to be
part of the debate. That is why the most significant change
featured in Senate Bill No. 100 is the requirement of a ballot

question. This bill also borrows from Act 24, which allowed school districts to eliminate the hated occupational assessment tax and replace it with a wage tax. Fifty-seven school districts put up a ballot question on that issue. The voters in 50 of those districts approved it. Madam President, this illustrates that the principles of a local tax switch and taxpayer involvement do indeed work.

One of the fictions in this debate is that raising State taxes can provide homeowners immediate relief. It does not. The process of getting State dollars and distributing them on a fair and accountable basis is a very complicated and time-consuming process. Meeting the goal of the most direct way to provide property tax relief, the advantage goes to a local process that is set out in Senate Bill No. 100. We have not oversold what this measure does. It is not the perfect answer to the manifold flaws in our tax structure. It is fair, it is responsible, and it is a very positive way of addressing the leading source of taxpayer complaints - rising property taxes for schools. It does not address the disputes over the adequacy or the equity of school funding. What it does is force those issues to be debated on their own merits rather than to have property tax discontent be the lever for higher taxes and higher spending. When the two issues are mixed, we hear too much about the interests and concerns of school boards and too little about the interests and concerns of those who are paying the bill, the taxpayers. Those who vote for Senate Bill No. 100 can say to the people back home that we have given them the chance to reduce property taxes, that we have given them a say in the decisionmaking on school taxes and spending, and that we have given them a way to restrain property tax hikes in the future.

Madam President, this bill is fair, it is workable, it is responsible, and most of all, it is responsive to the taxpayers. I strongly urge support for this bill in the hope that we can see a property tax relief measure approved in time for ballot questions to be offered this November.

Thank you, Madam President.

LEGISLATIVE LEAVES CANCELLED

The PRESIDENT. Senator Mary Jo White, Senator Erickson, and Senator Tartaglione have returned, and their temporary Capitol leaves are cancelled.

And the question recurring,
Will the Senate agree to the bill on third consideration?

The PRESIDENT. The Chair recognizes the gentlewoman from Philadelphia, Senator Schwartz.

Senator SCHWARTZ. Madam President, I rise to oppose this legislation, and let me begin by saying the part of this legislation, I think, that would be really acceptable to all of us, and in fact we talked about this before, we passed, as you know, Act 50 before, and in that case I made comments and I repeat the comments now that the opportunity to provide flexibility to our school districts as I would to municipalities, to have greater access to an array of sources of revenue in taxing our citizens is something that is very acceptable to me, and I think to many of us. I am happy to provide that flexibility to our school districts to choose between

property taxes and income taxes. I think that is really a perfectly appropriate thing for us to do. And if this bill only did that, I think that it would certainly be acceptable. But what this bill really does is suggest that, as the previous speaker said, by changing the options for local school districts to move from property taxes to an income tax really addresses just one small problem, which is that there are many people who are burdened by the high cost of property taxes and the rise in property taxes over the last few years. And while it does address that, it does not address at all, in my mind, the resolution we really need to take on this issue. What it does is says to local school districts that the burden is still yours, there is no help from the Federal government, there is no help from the State, there is no participation in this legislation, no taking on the responsibility for the basic funding of education. That would resolve the major reason that we have seen such a rise in property taxes in the Commonwealth, and that is that the cost of education has been rising over the last 10 or 15 years. And while we might argue over some of the causes of that and whether we could get our school districts to be more efficient and more accountable, I would be happy to have that discussion, and I certainly am one who has called for fiscal responsibility on the part of our schools as well as accountability for their performance. What this does instead is to really just suggest that somehow it is frivolous and can be contained. It does not reflect the increasing costs of special education, the increasing costs of technology, the increasing costs of rising enrollments, and the increasing costs due to the fact that so many of our school buildings were built in the 1950s and need to be replaced or upgraded, or the fact that our teachers need to have higher qualifications, and the configurations of our schools need to look a bit different to make sure that our children are well educated. And what it says to those property owners and to the local school districts is that the burden is still yours. It may not be a tax on your property, but it is going to be a tax on your income. And if it is not on your income, it is on your neighbor's income. We are refusing to spread that cost beyond a school district to a number of school districts, or more importantly, to the State. And what we know in taxes is that if we in fact spread the costs more broadly, it is less costly for all of us and it is fairer. And the issue here is one, of course, of fairness, and the degree to which we still say that the solution to keeping property taxes down is the responsibility only of that local school district, we will not resolve this issue. We will still have low-wealth school districts that are still low-wealth school districts. Whether they have to draw the money from property taxes or from income tax taxes, it is still a low-wealth district. And to create the kinds of resources that you need to fund education, you have to very heavily tax your citizens.

Yesterday, one of the speakers from the other side of the aisle said, let us be clear here, taxes are paid by citizens, wherever they are, and that is true, but when you do not have the State stepping up to the plate to say we have a greater responsibility, then that burden on local taxpayers remains. It shifts it slightly from one neighbor to another, but it does not actually address the issue of how we in Pennsylvania are going to begin to make sure that this State meets its responsibility to fund education, to fund it adequately, to demand performance, and to demand accountability for the way those taxpayer dollars are spent. We

should do and we could do a better job of that than we now do. We could even share best practices between school districts in which one does better in the way they manage their money and which one does not, and to help them resolve those issues. But, Madam President, what this bill does is still say to local communities, this is all your responsibility. So high-wealth school districts can shift the dollars around, but it is not really enough.

Let me also just say, and it was said yesterday, that we do have a local referendum now on school spending, at least in 500 of the 501 school districts, and that is that they elect their local school boards, and we have all seen local school boards be thrown out and new ones brought in because of the issue of taxes and raising costs. It works. Democracy works. Going to a referendum system, making sure that decisions are made not by a representative democracy, which is the democracy in which we live in this State and in our local communities and in this country, but going instead to bringing the issues of budgets and all the decisions we might make on spending to individual citizens is not necessarily a better democracy. We have lived under a representative democracy for a long time, we are admired around the world for our system of government, and to suggest, as this bill does, that it does not work for school districts even though it works for everything else is really, I think, unreasonable.

So let me just say that I think we made some good changes last night. Some of the amendments, I think, do help to recognize the rising costs for school districts, and I think that it does improve the bill, and I am glad that the other side of the aisle was willing to work with us on some of those. I think that the concern about property taxes is real for our citizens. Our interest in reducing property taxes should also be real. Shifting it simply to your next door neighbor on a local level is not really dealing with a solution that will make a difference to our senior citizens and to all of our citizens. And as I often say on the floor, maybe most important when we are ultimately talking about education funding, which is what we are talking about, Madam President. This is not just any old tax, this is about whether in fact we adequately educate the future generations of this Commonwealth. And the fact that we have not resolved this issue yet, and I hold out some hope for what we might do in the next few weeks in the budget, but if we do not get this right, then Pennsylvania continues to fall further behind for our children and for our grandchildren and for the economic future that they have as well as the Commonwealth. We all will rely on the future citizens to help us out, to help build the future of Pennsylvania. If we do not spend our dollars right, if we do not adequately fund education, we in fact do not have that bright future that they deserve and we all deserve.

So, Madam President, I will vote "no" on this legislation and hope that we will continue to work to get it right, to fund education in smart ways, to make those investments, and to adequately fund every school district and every child's education in Pennsylvania.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Logan.

Senator LOGAN. Madam President, I rise to speak about Senate Bill No. 100 and my objection, even though I voted for it in the Committee on Finance to move the process forward and to have good debate, which I think we did last night, and some good amendments were offered, some bad, some were in, some were out, but I have good news from Allegheny County. About three or four Mondays ago, we set a record in Allegheny County. There were over 400 sheriff's sales in Allegheny County about a month ago, 400 sheriff's sales. Seniors being thrown out of their houses because of property taxes, over 400. And you know the area very well, Madam President.

Senate Bill No. 100 does not fix the problem. It is a good debate, it is a good start, but it does not fix the problem because it reduces property taxes, reduces, Madam President, it does not eliminate property taxes, which does not eliminate the problem. Reduction is not the answer, elimination is the answer. And I know this, and many Members of the Senate know it, because last September, a gentleman by the name of Bob Logue, who is a KDKA radio personality and the head of S.T.O.P., Stop Taxing Our Properties, a group that was formed, came to Harrisburg and he brought over 100,000 signatures, and I do not know of any issue that has gained more attention, but 100,000 people signed a petition saying stop taxing our properties, eliminate the property tax. And they just did not come with a whole host of signatures or petitions. They came with a plan also, Madam President, and I took that plan and introduced it. So when our President pro tempore, Senator Jubelirer, says I will trust the voter, as he did last night, he said, I will trust the voter and taxpayer every single time before I trust government to tell us what to do, I have just the plan that the voters can decide.

Madam President, my Senate Bill No. 816 is an emergency constitutional amendment, because when we have 400 sheriff's sales in 1 day, it is an emergency. The voters can decide in November whether they want to eliminate the property tax. And as Senator Rhoades said last evening, it would require courage to vote for a 2-percent personal income tax increase. I agree. It would take courage. Mine, to eliminate the property tax so it never comes back, is not a 2-percent personal income tax increase, it is a 1.55 percent, and it would take courage, but it would solve the problem. It would eliminate the problem. My bills have gained some attention, but we have buried them in the Committee on Finance. They are in mothballs. Nobody wants to discuss them, and I know Senator Earll knows because people have been calling her, people have been writing to her, people have been e-mailing her saying, let us have some fair debate, let us have some public hearings on the two bills that eliminate the property tax and then replaces it, but we will not. We will put a Band-Aid on this problem, and next Monday let us hope that there are not 400 more sheriff's sales, let us hope that there are not 100. Let us hope we can put a Band-Aid on it and this will go away. Well, it is not going to go away. It will not go away until we eliminate the property tax, the tax that is the most unfair tax. It penalizes you for owning your own home and, Madam President, God forbid you make an improvement to your home, because then it penalizes you even further.

So Senate Bill No. 100 is a great start, it is not the answer. I have to vote "no" on it for those reasons. But I think, you know what, I am going to make a challenge to Senator Earll. Over the

summer let us bring out my bills, Senate Bills No. 717 and 718 that change the Constitution, that eliminate the property tax, that solve this problem. I challenge her to hold public hearings. I challenge her to have debate on them. Let us discuss this. Let us not put a Band-Aid on it, let us fix the problem, Madam President.

Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Madam President, again I have to belabor the issue, but it is an issue that has to be belabored. Yesterday I referred to Senate Bill No. 100 as a posturing and pandering political placebo which provides absolutely no property tax relief for homeowners facing the high burden of property tax. Today I would have to go one step further and call it a downright act of perfidy. It is treachery because we have a Governor who has just come out of a significant election, not an election in a State Senate district, not an election in a State House of Representatives' district, not in a local mayor or council district, but someone who went to all 67 counties across the length and breadth of our Commonwealth and took to the people some very specific issues and was very upfront and honest with those voters. He said he wanted to make significant changes in the way we do business in public education. He talked about inequities and inadequacies in public education funding. He talked about open frankness with voters, about the need to raise certain taxes and to cut others. He spoke openly about the laudable goal of meaningful property tax reduction for homeowners, especially those elderly homeowners who are the most adversely affected and burdened every year with a high property school tax. He did that honestly, he did that in all 67 counties, and he won a vote from the plebiscite, a vote that we today are committing treachery by totally ignoring the demands, the wishes, the aspirations, not only of Pennsylvania voters and homeowners and taxpayers, but tomorrow afternoon, there will be several thousand children and young students from across the Commonwealth here on the steps of the Capitol as part of Good Schools Pennsylvania, and they will be here to speak about the need for us to act comprehensively, in a bipartisan fashion, as a State legislature, for all the needs of young people, and we are not doing that. We have not done it since January, it is not being done in the House, and it is unfair to the Governor who has put forward, I think, a bold plan to address meaningful changes in public education, meaningful reforms to increase the quality of public education and the availability of public education, and as well, a meaningful reduction in school property taxes by openly and frankly admitting that we need a rise in either the earned income tax, or as in Senator Mellow's failed amendment yesterday, an increase in the personal income tax.

I am very disappointed, obviously, but more important than my disappointment is the disappointment of most of the constituents whom I represent, and certainly the children who will amass tomorrow afternoon on the steps of this Capitol, who are seeking, and it is their prayer that we act in some meaningful way to address these issues. We have ignored them completely. Senate Bill No. 100 is a downright joke. It builds on the first joke, which was Act 50, and if it was not so funny, it would be a travesty of justice.

Thank you very much, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Madam President, I just want to touch on a couple of things. First of all, I feel I need to respond to the remarks of the gentleman from Allegheny, that passing Senate Bill No. 100 is treachery. I think that was the word he used, and correct me if I am wrong, I apologize. You know, Governor Rendell did win an election this year and he did put together a proposal, one that I think we are taking a look at and giving due consideration. But just because we do not necessarily agree with it, it does not mean this is treachery. I remember an election 4 years ago when Tom Ridge went around 67 counties and he campaigned and won an election, an election, I think, even greater than Governor Rendell, if not greater, then pretty close, and he ran on school vouchers. How many in this Chamber ran up here to vote on school vouchers because Tom Ridge wanted it? Did anybody? You know what? I did not either, because I did not support school vouchers. And just because the Governor wins an election does not mean we all roll over and just do what the Governor wants. That is not the process.

The Governor has the right to put a plan forward, as Governor Rendell did, and we, the legislature, have the right to either accept it or try to couch something ourselves into something better, to put something together. And to call it treachery because we do not just roll over and say this is what the Governor wants, he is the dictator of Pennsylvania, I think that is absurd. As my good friend, Senator Mary Jo White, would say, we are not potted plants over here. We are part of the legislative process, and so we do not necessarily agree with it, we are going to put a plan forth that we think is responsible. You do not have to agree with it, that is understandable. And it is my guess, somewhere along the way, since the Governor has the ultimate chance to sign it or not, we will get to that and negotiate and come up with something. But this is our idea of a responsible plan.

Now to the plan a little bit, and I will be brief about this, I am in kind of a unique position because I was not here in 1998, my father, my predecessor in the Senate seat, was here in 1998 and he voted for Act 50. And then he actually went out after he retired and served on the school board commission to review Act 50, and he voted against it going on the ballot because he did not think the plan worked. And so, you know, I thought that was interesting that he voted for the bill and then voted against putting it on the ballot. So when we tried to do local tax reform a couple of years ago, we tried to look at the deficiencies of Act 50 and do something with the occupational assessment tax, Act 24. Act 24, which I might remind everyone, no one on that side of the aisle voted for, we only passed it by one vote, I believe. Act 24 was to do away with the occupational assessment tax to allow the voters back home to vote for an increase in their earned income to get rid of the occupational assessment tax. We passed it, and today 50 school districts have approved that. Now, you say 50 out of 501, that is not that many, but there are only a few districts that had an occupational assessment tax, so 50 is a pretty large percentage of the school districts that have it.

So Senator Jubelirer crafted, I believe, Senate Bill No. 100 on the successes of Act 24, which was to let local districts not eliminate the nuisances taxes, which I think was a big part of the

problem with Act 50, but freeze them and allow the voters to decide up or down. It is not Act 50, it is closer to Act 24 than Act 50, and I think, although again, there are parts of the bill that I may not be crazy about, I think it builds on the success of Act 24, and so, as I said in the Committee on Finance, I do not want to let perfection stand in the way of progress. This is a good bill, and I look forward to supporting it.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Wagner.

Senator WAGNER. Madam President, I rise in opposition to Senate Bill No. 100, to state a few comments, and to also ask that my comments yesterday in regard to the Mellow amendment be brought forth as part of the record on the final vote of Senate Bill No. 100.

(Whereupon the remarks of Senator WAGNER on Amendment No. 2320 to Senate Bill No. 100 from the Senate Journal of June 24, 2003, were incorporated by reference.)

I said yesterday and I will say it again, my senatorial district is about 48 percent in the city of Pittsburgh and I believe about 52 percent in the suburbs. I have two school districts, one in the suburbs in the city of Pittsburgh that are excluded in regard to this bill. I know that there are at least a dozen Senators in this Chamber, probably 20, if you include Philadelphia, who are excluded in terms of this property tax reform. That is a real issue without the opportunity for property tax reform. But aside from that, Madam President, there is a serious philosophical difference in how this should proceed, and we on this side of the aisle do not think it should be a mandate placed on school districts to have a referendum question. And there is a mandate in this legislation to force a referendum question. If they choose not to have the referendum question, the county will mandate it. Now, I have not had any school district or people within the school district ask me for that. If anyone else has, I do not know who it was. But even if all of that occurs, it still is very iffy that property tax reform will occur because it is dependent on a referendum passing. So there are a lot of if's in this process, plus there are a bunch of school districts that are excluded from the process.

Governor Rendell wants to have property tax reform across Pennsylvania, and that is really where the philosophical difference is. And I said this yesterday and I will say it again, the decision to do that should begin here in the Capitol. I think that point has been made, and it has been made, and it has been made. In addition to that, his plan ties in with the whole equity issue related to public education, and you really cannot talk about Senate Bill No. 100 without talking about House Bill No. 112, or 113, the numbers are getting a little mixed up in terms of the bills that have passed here or we are considering. It is a whole plan to reform education and also have property tax reform, and that is really where there is a distinct philosophical difference here. And the fact that Senate Bill No. 100 excludes so many school districts, the fact that it probably will never happen, the fact that it should happen coming from Harrisburg, is a distinct reason why this side of the aisle opposes this bill.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, we have been talking about this subject for decades. I can remember back when there was a Senator here on the Republican side of the aisle who was your leader by the name of Jack Stauffer. This was his cause celebre, and yet over all those years, nothing meaningful has happened. As I said in here about a month or two ago, Republicans had charge of this government for 8 solid years: Republican House, Republican Senate, and a cooperative Republican Governor, although as I understand, some of you do not completely agree with our view of that, but we were not there. But you had the two Chambers and the Executive, and nothing meaningful happened for those 8 years. Now, this is an issue that does require some courage. We accepted Senator Jubelirer's challenge in that committee meeting when he said, all right, you come out with a proposal. We came out with a proposal. Our proposal was Senator Mellow's amendment yesterday: Raise taxes in the first year, the income tax, by .4 of 1 percent, and then over 2 years that went down to a .15-percent increase, and reduce property taxes enormously. It did not pass, it did not pass because of politics, it did not pass because it was a Democratic idea, it did not pass because the Governor supported it.

Now, I hate to keep having to tell my colleagues on the other side of the aisle that the Governor won. He is here. He is in town. You can like his style, not like his style, like the bus, not like the bus, but he is here, and he won an honest election. Granted, there was not an electoral college, maybe he might not have won with an electoral college, but he won overwhelmingly. And as you look at the polling results throughout the Commonwealth, an enormous majority of people want property tax reform.

Now, I have to admit, I come from Philadelphia where we do not elect our school boards, but we elect our city council people who are in charge of raising the taxes that go to education. For some reason, they are much more responsive from what I can see in Pennsylvania than school boards. They are afraid to raise property taxes in Philadelphia for education because they are afraid they are going to lose an election. Now, granted, we do not have a great school system. It has gotten better. But for some reason, of 501 school districts, 500 of them are elected, and in each of those districts, they are the so-called culprits who have raised these taxes. Yet they continue to get reelected and the taxes continue to go up. I happen to believe in representative democracy. I challenge the people of Pennsylvania to throw out those school boards if they really do not want these taxes. I also challenge them to do something more basic. I challenge the people of Pennsylvania to go out and vote. It is a disgrace when we have an election, especially in a municipal year, you put up 10 percent, 20 percent, in a hot race, 30 percent. Seventy percent of the people stay home, and then they complain. People have to vote so that people understand what the consequences of their actions are.

Now, granted, it was not all the school districts' fault. Up here in Harrisburg during those 8 years, the game was started to cut the percentage share of the State's involvement in education. And those numbers gradually went down to 30-some percent. The school board costs did not go down. Somebody had to make up the difference. And as we said for years, it was billions of dollars. So those boards had to make up that difference. Along comes a

Governor who has the guts to face this election, who goes out and says to people, I am going to change this. And I watched the ads, and I am as sophisticated in here as anybody else, I know what negative ads can do. I watched the Republican State Committee and the candidate blast the heck out of Ed Rendell: Your taxes are going to go up if you vote for Rendell, your taxes are going to go up if you vote for Rendell. Constantly, hundreds of thousands of dollars, millions of dollars spent on the tube telling the people of Pennsylvania if you vote for Ed Rendell, your taxes are going to go up. He never once said they were not. Instead he said, I am going to bring to Pennsylvania a new vision. I am going to lower property taxes, and I am going to produce a better educational system. When the people of Pennsylvania, your voters, all of our voters, weighed those arguments, they overwhelmingly voted for Governor Rendell, knowing that their taxes might go up, but also wanting to buy into his dream and his vision for a better Pennsylvania. That is history. It happened. No matter how many games you want to play in here, that is what the people of Pennsylvania want.

Now, we recognize that the Majority will have its way and the Minority will have its say, and that is what we are doing today, because we are not going to be able to stop this bill. This bill will pass, by and large, if not completely on a partisan vote, but when it ultimately gets to the Governor, he is not going to sign it. It is not his dream. It is not what he ran on. In fact, I believe he has a constitutional obligation to veto it, because if he did not, he would be a hypocrite. That is not how he got elected. His election campaign was the antithesis of Senate Bill No. 100. And then what do we do? Obviously, Republicans will blame the Governor for increasing taxes, it is his fault. We did not do anything wrong. We just stood in the way. We just stood in the way. We did not do anything wrong. Well, you did. And I know this is a tough issue. It is one that requires courage. We split it out and gave you the cheapest possible way to do it, and you did not want to do it. Under Senator Jubelirer's proposal in Senate Bill No. 100, the average lowest income, not even income, earned income, and we now understand what that is, but the average lowest earned income tax increase is .8 percent, and the average highest in that range is 1.6, four times what our amendment did, four times the cost, and of course people are not going to vote for that. So the referendum will go down and we will say the voters, because we trust the voters, do not want tax reform, they just do not like their taxes high.

Now, maybe somewhere when you are talking about how many angels can dance on the head of a pin, those kinds of arguments make sense, but the reality is, as Senator Logan said, 400 sheriff's sales in Allegheny County on one Monday. Our senior citizens are losing their homes. People are hurting because of this, and what do we do? We play games. There has been no attempt to work together with us to reach a compromise. The basic Republican position has been our way or the highway. Well, now we have a Democratic Governor who will not even give you your way. Hopefully, hopefully before we get out of here for the summer, or maybe before we get out of here for Christmas, people will see the light and we will sit down and really try to figure out a way to handle this tax shifting problem, because that is what it is. There is no money falling from heaven. Yes, we will get money from slots, if we pass that today, and a

lot of that money will go into this, but after that, it is one tax for another tax. The only free money will be from gaming, which could hit almost a billion dollars, but after that, yes, it is going to require some money. But if you are really about lowering the real estate property taxes for the people of Pennsylvania, you will stop this nonsense tonight, we will put our heads together. There is enough brain power in this room and there is enough will. It is just that Chinese wall that goes down the center called partisan politics. And if you are on this side, you cannot be for that side; if you are on that side, you cannot be for this side.

The only thing that I have seen come together in the last couple of months has been this gambling bill that we will be talking about later. It has been a true dialogue. It has been a true machination of wills. Everything else, bing, bang, bing, what the leaders want over there, that is what will get sent on to the Governor. But now you have a new sheriff in town. He is not signing that nonsense, so we are going to come back. And if you really think, I know there are a lot of spin guys over there, we have our spin guys, you have your spin guys, having lived through 8 years of Tom Ridge, who was no rocket scientist and no great spin doctor, I will tell you the power of that bully pulpit in the Governor's office will steamroll you. And if you want to see a guy who knows how to use that, you have him in office now. He is 10 times the PR guy that Ridge would ever hope to be, and he has the power of the Governor's Office.

So if you think you are going to get out of town, not address these issues, not address the budget issues, go home and try to blame it on him, I dare you to try it, I dare every one of you to try it. You are not going to win that battle.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Schuylkill, Senator Rhoades.

Senator RHOADES. Madam President, I do not know if Senator Mellow has remarks or not, but last night at quarter after 9 I took the mike, almost like a baseball team, I was the last batter, not even the clean-up batter, and what I really wanted to say before that, because it was what guided me in my voting against Senator Mellow's amendment and it will be what will guide me today in voting against Senate Bill No. 100. Part of it is that I have put together a proposal, and people had an opportunity last night to vote significantly for both student equity and taxpayer equity in the amendment that I offered, which was the fairness in education funding, but it required a 2-percent increase in the PIT, but it evenly distributed across with a formula. Unfortunately, when I looked at the Governor's plan, when you divide down the 501 districts from the most affluent 125 to the next to the next to the next, the higher amount of money went to the richer districts. Well, that is not equity. That has to be balanced, that has to be changed.

The other part of the process when you get into this, too, is that the process has to be simple and complete and understandable. Going through nonadjusted, basic allocations and then qualifying for a second round, which is based upon an aid ratio point, which is a cliff, does not accomplish what you want. It should be smooth and it should be gradual. We did not have that. And one of the reasons I cannot support Senate Bill No. 100 is I am going to an EIT. While it is not really fair in terms of taxpayer equity, because those who are working will pay

for this, those with the PIT, and that could be someone who is 55 and retired, living in a million dollar mansion but owns an apartment house across town and will have his property tax or her property tax reduced, but yet the worker inside that apartment will still be paying the EIT and not seeing a benefit in their tax reduction. Not to say that would not happen with mine, but that is a minority, not a majority.

On top of that, too, is the old issue when it comes down to this, folks, and this is the bottom line, if you do not have the market value, you do not have the personal income. How many people do you know who live in a million dollar home on \$20,000 a year? Contrary to that, how many people are living in a \$20,000 home and earn a million dollars a year? It does not work, it does not function that way. That is where the inequity is, and that is what causes the inequity in the formula that we are looking at. If I am poor, that EIT which I am going to take out, I am still poor. And that is the other thing which is hard to believe, taxpayers who live in poor districts actually pay a greater percentage of their personal income and more money to support their school districts than rich people do. Rich people give more money, but they have more money to give. Their percentage is lower than those in poor districts. That is why my proposal last night would have begun to level that out, to make it a level playing field.

And so I say to you, any formula you put together has to include these particular elements: Student equity, you can say you are going to do taxpayer equity, but until you get student equity in place, that taxpayer load is going to be put back on that taxpayer because there is no money in that district. There is only X amount of dollars, like we said, there is only so much blood you can get out of a stone. That is what is happening. And I agree with Senator Fumo. We went from 54.2 percent funding in the 1970s down to 35 percent now. That is not the way it should be. Who picked up that \$1.8 billion in new taxes? The local taxpayers. But it is our responsibility as a State to share that. It is our constitutional responsibility.

So you need student equity, and that includes two things, horizontal equity, where equals are treated as equals, so I do not care if it is Philadelphia, Erie, Pittsburgh, Scranton, Wilkes-Barre, or anywhere else in between, we do not distinguish because you have a certain ZIP Code number. We look at every boy and girl as being the same. Likewise, there is also what you call vertical equity, which is the unequal treatment of unequals, where the rich are up there and I do not have to treat them the same as I do those on the bottom. We balance that out. Then you have taxpayer equity. And one of the problems I found that I think has to be adjusted, and the Governor's recommendation is that the equity that comes in that he is giving to the district will be the money for the district. So let me say that you and I live in the same district. You pay \$5,000 a year tax, I pay \$1,000. If our district is going to get \$500 back by the formula, that \$500 is deducted from your \$5,000, which means you pay \$4,500. That \$500 is deducted from my \$1,000, which means I pay \$500. That is not equity. If it is a set number of 10 percent, then it should be 10 percent of your \$5,000 and 10 percent of my \$1,000. That begins to give us taxpayer equity. That is where we should be. It should be an equal yield for an equal effort.

Adequacy should be another issue designed. All districts should have sufficient revenues to provide an array of educational programs and services that prepare students to function successfully in American society. That becomes a very difficult term sometimes to say just what is adequacy. But I think if we define it as median actual instructional expense, that is a good start, because everyone will be functioning at that particular level. It should have fiscal neutrality. There should not necessarily be a relationship between the quality of education and the wealth of the individual district, which brings up the issue of responsibility. Education is a fundamental State responsibility mandated by the Constitution, and it still remains so, whether we like it or not, but in that has to be a State-local relationship. And I am not saying necessarily that we should pay 100 percent for this, but at least we ought to establish that relationship and then maintain the consistency of providing that funding, so that we do not have a problem of having to try to fill a \$1.8 billion hole. That funding formula should be responsive. Any funding system should be flexible enough to accommodate changes in district demographics and economic conditions. There should be stability in that formula. The revenue stream to school districts should be predictable from year to year, so that districts can do the things they have to do, and that includes long-range planning. One of the things we do not have and we do not know is what it is going to be. That is one of the things I proposed, and I told you last night, October 1 we certify the number. That number then is locked in. We have the responsibility of meeting that number so we can distribute it across the districts. Districts do not wait until now to know how much they are going to get or not. Districts are planning their budgets right now, and they do not know how much they are going to get.

It should have efficiency in it, it should have accountability in it, and these are not just my topics. This came from PARSS, the Pennsylvania Association of Rural and Small School Districts. I did research on this, and I will show you and be glad to share it with you. There are 18 sites I have here from what I call educational finance experts from across the United States who have worked in other States, gone to other courts, and they tell you what equity is, what neutrality is, what predictability and effectiveness is, and even the National Council of State Legislatures recommends the same thing.

When I look at Senate Bill No. 100, and I will tell you, I voted for Senate Bill No. 50 because I thought it was our attempt to make a difference. I did not think everything in it was right, but I thought at least we were stepping. I think this is a step, too, so I will compliment the sponsor because he is still trying, but there have to be some bold steps. We are going to end up pitting senior citizens against our younger generations. They are going to fight on this thing. We are going to bring in the county board of elections. Remember I told you it should be simple? Well, now they have to make decisions, they have to get the materials together and do a fiscal note on this. I do not think that helps. There are a number of other issues I can go with, but let me just tell you, there is no equity in Senate Bill No. 100. There has to be in any formula we do.

The other thing, too, is I gave everyone copies of options 1, 2, 3, and 4 of the plan I proposed of our fairness in education. I ask you to compare it against the EIT and the Governor's

proposal. There is a district, not in my district, but there is an area in the State where they will have to go up to a 5.7 increase in EIT to meet the demands for the property. That will only get 48 percent when they go to 5.7. If they voted for my 2 percent, they would have gotten 73 percent. In that same county, 2.8 EIT, 2 percent fairness in education, 50 percent with the 2.8, 87 percent with the 2.0. So you see, is there a difference in here? Take a look, take a look at that list. And then I will tell you this, when you are ready to sit down and do some real education funding based on these principles, maybe we will get something done. And this does not have to depend on the Governor, this does not have to depend on the judiciary, this has to depend on us and our willingness here to get the right thing done and do the right thing for the boys and girls so that there is equity in the Commonwealth and there is taxpayer relief.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Lackawanna, Senator Mellow.

Senator MELLOW. Madam President, I was kind of mixed as to what kind of statement I would want to make prior to the final roll call of Senate Bill No. 100. But after listening to the remarks that have just been put in the Journal by Senator Jim Rhoades, it kind of changed my thinking of what I want to say. First, I would like to thank and congratulate Senator Rhoades for his knowledge, for his work on the issue, for his consideration of the people of Pennsylvania, and for the belief that if we work together, that we can accomplish something here that would be meaningful, and that if we continue to divide ourselves based on a political registration and some type of political philosophy, that nothing will get done. His independence and his dedication to the issue and his recommendations for solutions are things that we have to thank him for because he did a great job in laying out what he believes the problem to be.

Madam President, in the Journal, the Senate Journal of April 29, 1998, these statements were made on the record: (*Reading*)

Mr. President, I was asked by the press a couple of days ago if we were going to be able to do this and I said I hope so because I think it would be historical. I have served under four governors, and this issue has been with us for the nearly 24 years I have served in this body, and I frankly believe we are on the verge today of moving this bill to the House of Representatives where I believe that distinguished body will pass this and send it to Governor Ridge for his signature. If that indeed happens, I believe my prediction that it is historical will come true.

Mr. President, I believe the choice is clear. It is time we give Pennsylvania taxpayers a victory they have waited for for a long, long time. They truly have earned it. The changes available through the Taxpayer's Local Control Act are fair. They are sensible, they are practical. Mr. President, they are long, long overdue.

Madam President, they were the words by the sponsor of this proposal back in 1998, the sponsor of Senate Bill No. 100. Back in 1998 Senator Jubelirer made that speech on the floor of this Senate. Then he indicated that Act 50 was a historical piece of legislation and that Act 50 would give the people of Pennsylvania the opportunity to have their taxes lowered if they would only implement Act 50.

Madam President, Senator Jubelirer also stated in his opening remarks, and I am going to paraphrase because I am not going to quote exactly what the gentleman said, but he said school

districts and school boards rejected Act 50. I have to qualify that, Madam President, because school districts and school boards did not reject Act 50, the citizens of the school districts in Pennsylvania rejected Act 50 because they knew, in their own right, as Senator Corman stated his father realized the error of his vote on Act 50, once he was put on a committee in a school district to determine whether Act 50 should go on the ballot in that district that, in fact, Act 50 will not work.

Madam President, Senate Bill No. 100 is nothing more than a clone of Act 50, and Senate Bill No. 100 will not work the same way Act 50 did not work. Madam President, Senate Bill No. 100 is not a tax reduction. In fact, for 19 school districts in Pennsylvania that encompassed 544,202 homesteads and farmsteads, they will not even be able to qualify under Senator Jubelirer's Senate Bill No. 100. So under no circumstances will those individual school districts have any opportunity of having any kind of reduction in their property taxes, and, Madam President, those school districts are made up of four school districts that have enacted Act 50. They are Central Dauphin, Williamsport, Hazleton, and Southern Columbia. Three districts that are considered to be distressed school districts are Philadelphia, Chester-Upland, and Duquesne City. And 12 districts that are considered to be empowerment districts are Aliquippa, Allentown City, Chester-Upland, Clairton City, Duquesne City, Harrisburg City, Lancaster City, Philadelphia, Steelton-Highspire, Sto-Rox, Wilkesburg, and York City. So, Madam President, 544,000 homesteads and farmsteads in Pennsylvania do not even have an indication if they can, under any circumstances, come under Senate Bill No. 100. That is 15.6 percent of the households in Pennsylvania that will have no chance of any kind of property tax relief.

Furthermore, Madam President, three of the school districts that I have mentioned and that I will point out, the York School District, the York City School District, yesterday when there was an opportunity on the floor of this Senate to give the York School District a reduction of \$6 million in property taxes or \$800 per household, the individual representing that school district voted against that amendment. Today, Madam President, if that same individual votes for Senator Jubelirer's Senate Bill No. 100, that person has totally eliminated the York City School District from having any opportunity of having a reduction in their property taxes.

Madam President, the same thing can be said for the Lancaster School District. Yesterday the individual who represents the Lancaster School District had the opportunity to vote for an amendment that would have given significant tax reductions to the property owners in the Lancaster School District, to the tune of \$12 million. That individual, Madam President, decided, for whatever reason, to vote against this particular amendment. Madam President, with the enactment of Senate Bill No. 100, the person who represents the Lancaster School District will give that school district no opportunity whatsoever under Senator Jubelirer's Senate Bill No. 100 to have their property taxes reduced by one penny. Yesterday, Madam President, the individual who represents the Allentown School District had the same opportunity, because the three school districts that I mentioned are excluded or exempt from Senate Bill No. 100, so the taxpayer in the Allentown School District yesterday, which

could have substantially saved in their property taxes to the tune of \$19 million, or \$1,000 per household, the individual did not support the amendment, and the taxpayers in the Allentown School District will not have the opportunity of receiving that kind of reduction in their taxes, and therefore, Madam President, if that person votes for Senate Bill No. 100 today, the only thing that individual would have done would be to deny the people he represents the opportunity to have received a substantial reduction in their property taxes.

Madam President, the one thing that Senator Fumo said that I think is so important is that it takes guts to vote against Senate Bill No. 100 today. It took intelligence and fortitude and I believe a vision for the future to vote for our amendment yesterday, which would have guaranteed for those school districts at least the opportunity to have their property taxes reduced. So in the school districts that I mentioned, they have no opportunity whatsoever to have their property taxes reduced. And I realize there is a lot of politicking taking place on the floor of this Chamber here this evening. A lot of politicking took place on the floor of this Chamber last evening. There was a lot of whispering in individuals' ears, do not vote for the amendment, we must stay together as a group of individuals because Senate Bill No. 100 will work. Well, Senate Bill No. 100 will not work for the Lancaster School District, it will not work for the York City School District, it will not work for the Allentown City School District, and it will not work for a number of other school districts, and I do not want to repeat the other 15 school districts, but it will not work in those districts because it will not even go on the ballot in those districts. Senate Bill No. 100 does not reduce anyone's taxes by one penny. All it does is put a question on the ballot asking if the individuals want to have their earned income tax increased dramatically in Pennsylvania, which is Draconian.

And, Madam President, if we can get together as a group, if we can come together as Members of this body, if each and every one of us try to show some independence, try to listen to what our business leaders have said, try to listen to what our school leaders have said, try to listen to what our community leaders have said, they need property tax reduction now. Tonight, Madam President, some of my colleagues are going to be prepared to take a bullet, and they are going to be prepared to take a bullet for those people who are whispering in their ears to vote for this bill instead of taking a stand for better schools, a stand for better communities, and a stand for better opportunities for the young people of Pennsylvania, and I request a negative vote on Senate Bill No. 100, also keeping in mind the promised veto by the Governor of the Commonwealth of Pennsylvania. So what we are going to do here tonight, if this bill is passed, is accomplish absolutely nothing. What we can do here tonight if this bill is not considered, is either put over or defeated, is have a unique opportunity to show our independence politically and to show our support for our school districts publicly.

Thank you very much, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Logan.

MOTION TO TABLE SB 100

Senator LOGAN. Madam President, we have heard a lot of good debate here regarding Senate Bill No. 100. Senator Mellow brought to our attention that a lot of school districts do not qualify, whether this eliminates and reduces. With that said, some of my school districts that Senator Mellow talked about do not qualify. Madam President, with that said, I move to table Senate Bill No. 100 until we can have some proper hearings on some alternative plans that are with us today, and I would like a roll-call vote.

Thank you, Madam President.

On the question,
Will the Senate agree to the motion?

LEGISLATIVE LEAVE

The PRESIDENT. The Chair recognizes the gentleman from Lackawanna, Senator Mellow.

Senator MELLOW. Madam President, I request a legislative leave for Senator O'Pake.

The PRESIDENT. Senator Mellow requests a legislative leave for Senator O'Pake. Without objection, the leave will be granted.

And the question recurring,
Will the Senate agree to the motion?

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, I ask for a negative vote.

And the question recurring,
Will the Senate agree to the motion?

The yeas and nays were required by Senator LOGAN and were as follows, viz:

YEA-21

Boscola	Kitchen	O'Pake	Williams, Anthony H.
Costa	Kukovich	Schwartz	Williams, Constance
Ferlo	LaValle	Stack	Wozniak
Fumo	Logan	Stout	
Hughes	Mellow	Tartaglione	
Kasunic	Musto	Wagner	

NAY-28

Armstrong	Greenleaf	Piccola	Thompson
Brightbill	Helfrick	Pileggi	Tomlinson
Conti	Jubelirer	Punt	Waugh
Corman	Lemmond	Rafferty	Wenger
Dent	Madigan	Rhoades	White, Donald
Earl	Mowery	Robbins	White, Mary Jo
Erickson	Orie	Scarnati	Wonderling

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,
Will the Senate agree to the bill on third consideration?

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Madam President, I wonder if the Democratic Leader, Senator Mellow, would agree to brief interrogation.

Senator MELLOW. Madam President, I will.

The PRESIDENT. The gentleman indicates he will.

The PRESIDENT pro tempore. Madam President, would the gentleman please cite the section where he says that the districts of York, Lancaster, and Allentown would not participate in Senate Bill No. 100 and therefore not be part of the tax reform that Senate Bill No. 100 provides?

Senator MELLOW. Madam President, if the gentleman will look on page 13, starting on line 9 and going down, it is our interpretation that the school districts on line 9 and down to line 19 do not apply. The referendum will not apply to those particular school districts. It is on page 13, lines 9 through 19.

The PRESIDENT pro tempore. Thank you, Madam President. That really is the only interrogation I had.

Senator MELLOW. Madam President, that information is the interpretation by the Department of Education.

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Madam President, I beg to differ with Senator Mellow and anybody else who suggests that that is true. The only school districts that are not included in this, he is reading the term "empowerment," but the only school districts that would be excluded from this would be the school district of Harrisburg, Duquesne City, and Chester-Upland. They are the only ones that would be excluded, because they have been taken over. Empowerment itself would not create a situation where York, Lancaster, and Allentown would be excluded. They are included, and I strongly suggest that the gentleman's interpretation is not correct, and so when he suggests that Allentown, Lancaster, and York are not included, they indeed are.

Madam President, my remarks in 1998 that Senator Mellow cited were quite correct. It was historic because it was the first time ever that there had been any kind of a so-called tax reform bill that passed the Senate, passed the House, and was signed into law by any Governor. Every one of them have tried since I have been in here, from Governor Shapp to Governor Thornburgh to Governor Ridge, all of them have tried, Governor Casey particularly in 1989, they all tried and all of them came up short, and I can understand why. It is a very difficult issue. It is a Pandora's box of problems. There is no such thing as one size fits all, and that is why we believe Senate Bill No. 100 corrects the weaknesses of Act 50, and as Senator Corman very ably put it, Senate Bill No. 100, in effect, copies the concept of Act 24, not Act 50. There is a mandatory provision in it. Act 24, 57 school districts put it on the ballot, 50 of them did away with the occupational assessment tax. It can work.

Madam President, I have listened to the railing of that, and Senator Corman again addressed it, that we should just do whatever the Governor wants. We respect Governor Rendell and

we respect the fact that he has a plan, but I would remind everyone that the voters, the same voters who elected Ed Rendell, who was an able candidate and someone who did indeed have a message, that they also elected the majority of the Republicans in the Senate and the House. They decided that they wanted at least a legislature that was different from the Governor, and we certainly feel that we have a responsibility to offer an alternative to the Governor. That does not mean that this process ends tonight or over in the House. The Governor's threat of veto is not going to change anything here tonight. Negotiations will continue. We stand ready and willing to be open and to work together with people with all different ideas. But this is a plan and it is a legitimate plan. It is not a game, we are not going to be subject to threats or bullying. We believe that the integrity of this process is very important, and indeed, Senate Bill No. 100 is something that all of us have worked very hard on and not necessarily everybody buys into every single thing, and I respect that.

Again, when I started my remarks last night, I said to Senator Mellow at that time, Madam President, I thanked him for bringing forth the idea. I respected the fact that he and his Caucus presented an idea, and all ideas should be on the table. Tonight I expect that Senate Bill No. 100 will be passed and will be sent to the House of Representatives for its consideration, and I think that they will debate it over there. And again, between the House and the Senate and the Governor, we will get to some kind of a solution. What we are concerned about is indeed the taxing of Pennsylvanians by raising their income tax substantially. That is an issue, certainly in my district. My school districts do not embrace what the Governor has proposed, and the editorial writers, at least for my major newspaper, have called on our delegation not to support the Governor's plan but rather to study it and be careful and go slowly.

And so I think I am here certainly representing my district as each and every one of us do. To ridicule any proposal I think is wrong. I certainly do not ridicule the proposal offered by the Governor or by the Senate Democrats. I think that they tried to think something through and they presented something, but we do, too, and we are a responsible body, a Majority that certainly believes that Senate Bill No. 100 is something that we can build upon and believe that one size fits all is never going to work. It has never, ever been able to be passed by any Governor, whether it is a referendum in this body or in the House of Representatives. And certainly what happened in 1989 when the people spoke, 3 to 1 they rejected the plan offered by then-Governor Casey.

Madam President, again, I think we need to move on, move the process, but I certainly want to clarify the record that the school districts in York, Lancaster, and Allentown are all part of this, and the only ones that would be excluded are the ones that have been taken over, and they are Harrisburg, Duquesne City, and Chester-Upland, and that is something that we made very clear, and I would strongly, respectfully disagree with Senator Mellow's interpretation of the empowerment section on page 13 of the bill.

I thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Lackawanna, Senator Mellow.

Senator MELLOW. Madam President, this is the second time that I am speaking on the issue, and I realize the rules of the Senate will only allow us to speak twice on an issue, so I will not be speaking on this issue again after I conclude my remarks.

Madam President, it is not my interpretation Senator Jubelirer should be concerned about, it is the interpretation of the Department of Education that he should be concerned about. This is not Bob Mellow's interpretation. Madam President, Senator Jubelirer should also be well aware of the fact that we did not ridicule his proposal, we strongly disagree with his proposal, because his proposal does not reduce the real estate taxes for the purpose of funding public education by one penny. What do we tell our senior citizens, Madam President, who are watching this program this evening, who are watching what is taking place in Harrisburg, who are demanding a reduction in their property taxes? If the referendum in their school district as offered by Senator Jubelirer is defeated and they do not get any property tax relief, what do we tell them? Too bad? The General Assembly, in its wisdom, did not see fit to pass legislation that would automatically give them a reduction on their property taxes. Madam President, I know full well what has taken place here, and so does every other Member in this body. There has been a lot of whispering taking place, a lot of cajoling, there has even been some arm-twisting to get people, to get Members to support Senate Bill No. 100 so it can pass this body here tonight. Only courage and independence tonight, Madam President, will speak for the people of Pennsylvania and for the taxpayer of Pennsylvania.

Now, Madam President, let me read to Senator Jubelirer what he has badly misinterpreted, or else what somebody else has misinterpreted for him. Madam President, it starts on page 12, line 8. It says, "Public referendum requirements for the municipal election of 2003...the referendum question required by this section shall be submitted to the electors of each school district for the municipal election of 2003."

Madam President, on page 13, subsection (e) "Nonapplicability.--This section shall not apply to any of the following:

"(1) A school district in which a referendum question under... Act 50 has been adopted.

Madam President, those school districts are, and I will read them once again so that we have the proper clarification, those school districts are Central Dauphin, Williamsport area, Hazleton area, and Southern Columbia.

"(2) A school district of the first class." That is the city of Philadelphia.

"(3) A school district of the first class A." That is the city of Pittsburgh.

"(4) A school district certified as distressed pursuant to section 691 or an education empowerment district pursuant to section 1705-B or 1707-B."

Madam President, those school districts are the empowerment school districts or the districts that are distressed are the other school districts: Aliquippa, Allentown City, Chester-Upland, Clairton City, Duquesne, Harrisburg, Lancaster, Steelton-Highspire, Sto-Rox, Wilkinsburg, and oh, yes, Madam President, York City School District. So I do not know what the interpretation is by Senator Jubelirer, but if you want to look at

it and if there is any question by any Member of this body, here it is. It starts on page 12 on line 8, public referendum requirements. It is continued on page 13, line 7, nonapplicability, and it spells out what school districts the mandatory referendum does not apply to. So I do not know how Senator Jubelirer interprets that, but the interpretation that people have and the interpretation of the Department of Education, and I am sure of the taxpayers in these districts, are that they will not get a tax reduction based on Senate Bill No. 100. And if the individuals who represent these school districts in this Senate vote for the people who elected them, vote for the number one issue in their districts, they will not support Senate Bill No. 100. They will show independence, and they will show courage on the floor of this body tonight.

Thank you, Madam President.

And the question recurring,

Will the Senate agree to the bill on third consideration?

It was agreed to.

And the amendments made thereto having been printed as required by the Constitution,

On the question,

Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-27

Armstrong	Helfrick	Pileggi	Waugh
Brightbill	Jubelirer	Punt	Wenger
Conti	Lemmond	Rafferty	White, Donald
Corman	Madigan	Robbins	White, Mary Jo
Dent	Mowery	Scarnati	Williams, Anthony H.
Earll	Orie	Thompson	Wonderling
Erickson	Piccola	Tomlinson	

NAY-22

Boscola	Kasunic	Musto	Tartaglione
Costa	Kitchen	O'Pake	Wagner
Ferlo	Kukovich	Rhoades	Williams, Constance
Fumo	LaValle	Schwartz	Wozniak
Greenleaf	Logan	Stack	
Hughes	Mellow	Stout	

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

CONSIDERATION OF CALENDAR RESUMED

THIRD CONSIDERATION CALENDAR RESUMED

**BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE**

SB 79 (Pr. No. 950) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 6, 1995 (P.L.255, No.34), known as the Dual Party Relay Service and Telecommunication Device Distribution Program Act, expanding the scope of the act; further providing for definitions; providing for establishment of the Print Media Access System Program; further providing for establishment of dual party relay service; and making editorial changes.

Considered the third time and agreed to,
And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Cumberland, Senator Mowery.

Senator MOWERY. Madam President, I rise to speak on a piece of legislation that is very important to me and equally important to all Pennsylvania residents who are blind. Every morning when you and I begin the day by reading the paper over a cup of coffee, now just imagine doing that if you were blind. With the Print Media Access System Program established under Senate Bill No. 79, even the blind will be able to have access to that morning newspaper you and I take for granted. Lifetime learning, including detailed awareness of current events, is part of what makes a good citizen. It makes a successful employee or employer and a valuable participant in community life. Without ready access to information, none of us can reach our full potential. With the Print Media Access System, blind individuals can gain through telephone access the same information that is in newspapers as their sighted colleagues, friends, and family members. Blind professionals, for example, can now converse on relevant topics critical to their profession and not be left out of social functions when the latest editorial is being discussed. Beyond this, a wealth of other information primarily found in newspapers would be available to the blind, making fuller participation in community life possible.

About a year ago I was visited by Fred Leader, one of my constituents from northern York County. You may recognize the name, as he is the son of former Governor George Leader. He spoke to me enthusiastically about this program and explained how it would open up the world to everyone who is blind. He asked that I introduce the bill, so that those who are blind could more fully participate in their communities. Since that bill is before us today, Fred was obviously a very effective lobbyist. As a matter of fact, Fred would call his father so proudly and say, Dad, I bet I know my way around the Capitol better than you do. He would call my office every week with reports on whom he met with and distributed his literature to. He would always ask about when the bill would move from committee, and when it did, asked what it would take to have it voted on and sent to the House of Representatives.

Unfortunately, time ran out at the end of last Session and we did not get the bill through. Sadly, time also ran out for Fred. He passed away just a few months ago. Governor Leader was very proud of his son and was gratified to learn that this legislation is proceeding. I received a note from Mary Jane Leader last month, expressing the family's appreciation for the bill and how our help for all Pennsylvanians would be done for those who are blind.

Many others have taken up Fred's cause and kept my feet to the fire in order to see Fred's dream finally come true and become a reality.

Madam President, on behalf of Fred Leader and all our friends and neighbors who are blind, I respectfully request that the Senate pass Senate Bill No. 79, and ask that it be known as the Fred Leader Print Media Access Bill.

Thank you very much, Madam President.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-49

Armstrong	Hughes	Orie	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Pileggi	Waugh
Conti	Kitchen	Punt	Wenger
Corman	Kukovich	Rafferty	White, Donald
Costa	LaValle	Rhoades	White, Mary Jo
Dent	Lemmond	Robbins	Williams, Anthony H.
Earll	Logan	Scarnati	Williams, Constance
Erickson	Madigan	Schwartz	Wonderling
Ferlo	Mellow	Stack	Wozniak
Fumo	Mowery	Stout	
Greenleaf	Musto	Tartaglione	
Helfrick	O'Pake	Thompson	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

BILLS OVER IN ORDER

SB 255, SB 386 and SB 581 -- Without objection, the bills were passed over in their order at the request of Senator BRIGHTBILL.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 586 (Pr. No. 896) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, further providing for license costs and fees.

Considered the third time and agreed to,
And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Wenger.

Senator WENGER. Madam President, Senate Bill No. 586 is a small gesture of appreciation to our men and women in the military who have sacrificed greatly and, in many cases, their lives are even in jeopardy. What this does is amends the Game Code to create a new hunting license specifically for resident military personnel at a cost of \$10. This reduced fee is something that we have precedent for, we have already done this for fishing licenses, and this would extend that to those who are residents of the Commonwealth of Pennsylvania and on full-time active duty in the United States Armed Forces and assigned to a facility outside of Pennsylvania and on temporary leave in Pennsylvania. So it means that we issue the hunting license on an annual basis, but these are people who many times would not be within the Commonwealth for that full year, and so when they do come home on leave, if they would like to hunt and get a hunting license, they can do it for \$10 rather than \$19. I think it is one of the things that we should be doing for our military personnel, and I request an affirmative vote.

Thank you, Madam President.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-49

Armstrong	Hughes	Orie	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Pileggi	Waugh
Conti	Kitchen	Punt	Wenger
Corman	Kukovich	Rafferty	White, Donald
Costa	LaValle	Rhoades	White, Mary Jo
Dent	Lemmond	Robbins	Williams, Anthony H.
Earl	Logan	Scarnati	Williams, Constance
Erickson	Madigan	Schwartz	Wonderling
Ferlo	Mellow	Stack	Wozniak
Fumo	Mowery	Stout	
Greenleaf	Musto	Tartaglione	
Helfrick	O'Pake	Thompson	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

BILL OVER IN ORDER TEMPORARILY

HB 623 -- Without objection, the bill was passed over in its order temporarily at the request of Senator BRIGHTBILL.

BILL OVER IN ORDER

SB 711 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILL LAID ON THE TABLE

SB 733 (Pr. No. 851) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for aggravated assault.

Upon motion of Senator BRIGHTBILL, and agreed to by voice vote, the bill was laid on the table.

BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE

SB 778 (Pr. No. 937) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 29, 1996 (P.L.434, No.67), known as the Job Enhancement Act, providing for keystone innovation zones.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Indiana, Senator Don White.

Senator D. WHITE. Madam President, I rise today to ask my colleagues' support for Senate Bill No. 778. This legislation would create the Keystone Innovation Zones, KIZs, to spur economic development and job growth around the Commonwealth's colleges and universities. I know that with KOZs, KOEZs, and KOIZs already in place, the last thing we need in Pennsylvania is another economic development initiative that starts with a "K." However, I contend that given the proven track record of these programs over the Commonwealth, I do not think we can get too much of a good thing.

Our economic development issues have focused on main streets and brownfields. They have drawn in small businesses and retained large corporate players. Senate Bill No. 778 would take parts of these programs and create a great environment for high-tech business development by promoting cooperation with Pennsylvania's outstanding colleges and universities. KIZs will provide incentives such as the ability to be designated a KOEZ, priority consideration for the Pennsylvania Industrial Development Authority (PIDA) loans, and grants for work force development, as well as research and development tax credits.

Madam President, KIZs will open new avenues for economic development by focusing on early stage capital, facilities, people, and connectivity. They will better learn the Commonwealth's economic development programs with high growth companies that are creating jobs for the future. I ask my colleagues for their support and to add this new and exciting proposal to the "K" programs already in Pennsylvania's economic development arsenal, and I ask for an affirmative vote from my colleagues in the Senate.

Thank you, Madam President.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-49

Armstrong	Hughes	Orie	Tomlinson
Boscola	Jubelirer	Piccola	Wagner
Brightbill	Kasunic	Pileggi	Waugh
Conti	Kitchen	Punt	Wenger
Corman	Kukovich	Rafferty	White, Donald
Costa	LaValle	Rhoades	White, Mary Jo
Dent	Lemmond	Robbins	Williams, Anthony H.
Earl	Logan	Scarnati	Williams, Constance
Erickson	Madigan	Schwartz	Wonderling
Ferlo	Mellow	Stack	Wozniak
Fumo	Mowery	Stout	
Greenleaf	Musto	Tartaglione	
Helfrick	O'Pake	Thompson	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

SECOND CONSIDERATION CALENDAR

BILL REREPORTED FROM COMMITTEE
AS AMENDED ON SECOND CONSIDERATION

HB 651 (Pr. No. 2166) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 22, 1931 (P.L.594, No.203), referred to as the Township State Highway Law, adding Picketown Road, West Hanover Township, Dauphin County, and Colebrook Road, East Donegal Township, Lancaster County, to the State highway system.

Considered the second time and agreed to,

Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

HB 51 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILL REREFERRED

HB 77 (Pr. No. 71) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, further providing for definitions relating to consolidation or merger, for initiative of electors seeking consolidation or merger without home rule; providing for initiative of electors seeking consolidation or merger with a new home rule charter; further providing for conduct of referenda and for consolidation or merger agreement; and making editorial changes.

Upon motion of Senator BRIGHTBILL, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILLS OVER IN ORDER

HB 89, HB 100, HB 106, HB 349, SB 427 and SB 483 -- Without objection, the bills were passed over in their order at the request of Senator BRIGHTBILL.

BILL REREFERRED

HB 500 (Pr. No. 1989) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for a residential neighborhood enhancement program to be administered by the Department of Community and Economic Development.

Upon motion of Senator BRIGHTBILL, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILLS OVER IN ORDER

HB 674, SB 684 and SB 716 -- Without objection, the bills were passed over in their order at the request of Senator BRIGHTBILL.

BILL REREFERRED

HB 782 (Pr. No. 2162) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, further providing for definitions, for enforcement, for marketing, for sales by Pennsylvania Liquor Stores, for sales by liquor licensees and restrictions, for retail dispenser's restrictions on purchases and sales, for unlawful acts relative to liquor, alcohol and liquor licensees, for rights of municipalities preserved and for limited wineries.

Upon motion of Senator BRIGHTBILL, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILL OVER IN ORDER

HB 898 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILL LAID ON THE TABLE

HB 1006 (Pr. No. 1923) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for the offense of aggravated assault.

Upon motion of Senator BRIGHTBILL, and agreed to by voice vote, the bill was laid on the table.

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, at this time I ask for a recess of the Senate, first for the purpose of a meeting of the Committee on State Government, which will be held in the Rules room to the rear of the Chamber, to be followed by a Republican caucus, which is to be held downstairs in the Majority Caucus Room.

The PRESIDENT. Senator Brightbill requests a recess of the Senate for the purpose of a meeting of the Committee on State Government, followed by a Republican caucus.

The Chair recognizes the gentleman from Lackawanna, Senator Mellow.

Senator MELLOW. Madam President, can Senator Brightbill give us any indication as to what time we could expect to be back on the floor?

Senator BRIGHTBILL. Madam President, I would judge an hour to an hour and a half.

The PRESIDENT. For the stated reasons, without objection, the Senate stands in recess.

AFTER RECESS

The PRESIDENT. The time of recess having expired, the Senate will come to order.

LEGISLATIVE LEAVES

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, I ask for legislative leaves for Senator Punt and Senator Madigan.

The PRESIDENT. Senator Brightbill requests legislative leaves for Senator Punt and Senator Madigan. Without objection, those leaves will be granted.

CONSIDERATION OF CALENDAR RESUMED**THIRD CONSIDERATION CALENDAR RESUMED****HB 623 CALLED UP**

HB 623 (Pr. No. 1814) -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 3 of the Third Consideration Calendar, by Senator BRIGHTBILL.

BILL AMENDED

HB 623 (Pr. No. 1814) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for deceptive or fraudulent business practices.

On the question,

Will the Senate agree to the bill on third consideration?

MOTION TO PASS OVER HB 623

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, House Bill No. 623 is a bill which deals with Title 18, Crimes and Offenses, which deals with deceptive and fraudulent business practices, and what we are going to do here this evening, this is going to be the gambling bill. The bill is going to try to allow slot machines at eight racetracks in Pennsylvania. This has been going on for many, many months. It has been in the news for quite a while. However, I have been trying to get a copy of the amendment for quite some time. I could not get a copy of this amendment until later on this afternoon. However, late last night a gentleman walked into my office and said, here is an amendment, it was a working draft, which I had never seen before, and he got it from a reporter who got it from a lobbyist. To me, that was the first indication of who was driving this train up here. As a Senator I could not get a copy of this, but a lobbyist and a reporter could get a copy of it. Something is wrong when a Senator who has been up here as long as I have and is interested in this bill cannot even get a copy to work off of.

For many months, I have been working on the other side. I am an opponent of gambling and the expansion of gambling. I think as far as what we do in Pennsylvania, I think it is a very, very bad precedent. I think nothing good comes from it. If we were to create wealth, this creates poverty. If we were to create independence, this creates slavery. I had some amendments to be drawn up, but obviously, I did not get the bill until later on this afternoon, and as a result, I am working right now with staff, going over the amendment that I just received, which is 30-some pages, I forget how many pages it is, but it is lengthy. There are a lot of technical things in here that some attorneys have to go over and analyze and say, what does this really mean? I would like that opportunity. And so I do have some amendments that are being drawn up now but they are not ready, and as a result, I did not pick the day. Up here we usually amend things on Monday and Tuesday, and then vote the bill on Wednesday. I did not pick this day, so I would like to make a motion that this bill go over so I have the opportunity to research it thoroughly, have my staff look at it thoroughly, and prepare amendments.

Thank you, Madam President.

On the question,

Will the Senate agree to the motion?

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, if I may respond to my good friend, my hunting buddy, we hunted a lot, we never got a deer, but I got one before he did, and I got it before 60. I am ahead of him.

Madam President, I admire the gentleman for his resourcefulness. We on this side of the aisle very rarely see amendments until they are voted on. I wish someone over there would give one to a lobbyist and a reporter and I could use some skills to get it.

The gentleman and I have talked about this bill for many, many weeks. I do not think there are any real surprises in this bill. I recognize his objective is to try to not let this bill happen, but I really think that tonight is the night that we have to address this issue. I had asked, in fact, that this be done yesterday. As far as Mondays and Tuesdays, I spoke to the Republican chief counsel who told me that he did not think that would be possible, that we would have to do it today. Had the gentleman wanted one of those drafts, he could have come to my office and I would have gladly shared one with him, just for the fact that we are hunting buddies. I think that is what you do. But he never asked me for one of those drafts, and I had a couple, and quite frankly, I believe that the draft that he has is still not the current draft. I think it finally is in the amendment, and I think there is still one left. As of last night, chief counsel for the Republican Caucus was drafting the language on the board. This was a negotiated process back and forth, and I would gladly wait for the gentleman if he has an amendment. I am not going anywhere anymore tonight. But I really think that I would like us to proceed with the bill. In fact, I do know that I think everyone on that side of the aisle got the amendment at least before they went to caucus, and that is more than enough time to get an amendment drafted.

So I would respectfully request, and it hurts me to do this to my good friend, but I would respectfully request that we not agree with his motion to go over.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I would also request that we do not go over this bill. This has been a negotiated process. I worked very closely with Senator Fumo and Senator Mellow, and several people on the other side of the aisle, and I, too, would say to my good friend, Senator Armstrong, that I would have been glad to share any amendment that I had with him if he came into my office. But as this was a work in progress, many negotiations were going on, a lot of drafting was going on, we were not really able to print the amendment that we brought out and we did spend a considerable amount of time today discussing the details of this amendment in caucus, so I think we should vote this today, and I do not want to go over this bill.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Washington, Senator Stout.

Senator STOUT. Madam President, would the gentleman from Lancaster please stand for interrogation.

Senator ARMSTRONG. Madam President, I will.

The PRESIDENT. He indicates he will.

Senator STOUT. Madam President, would the gentleman tell me what party he is registered in as a Member of this Senate?

Senator ARMSTRONG. Madam President, it is currently Republican. It is up for discussion maybe, I do not know.

Senator STOUT. Madam President, what party is the Majority here? Would he tell us what party controls this ship?

Senator ARMSTRONG. Madam President, I believe it is still the Republican Party, although I have some questions at times.

Senator STOUT. Madam President, now the gentleman knows what pain and suffering we have here on the Democratic side, being in the Minority.

Senator ARMSTRONG. Madam President, I feel his pain.

Senator STOUT. Madam President, the gentleman feels my pain. I appreciate the gentleman feeling my pain.

Senator FUMO. Madam President, point of order. That was a Democrat. I do not want to get into that.

Senator STOUT. Madam President, I am also frustrated because I did not receive a copy of the proposed amendment until late today, and it also hindered me in drafting amendments to this bill also, but I think we cannot put this off any longer and we should move forward, so I cannot support the gentleman's motion to take this bill over.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Madam President, I, too, urge that we please move forward on this bill, but I have to admit I honestly have a lot of empathy for Senator Armstrong's concerns. This is not an easy issue, and I know we have said that throughout the day on other tax and spend proposals, but there are legitimately some very sincere disagreements and opposition to the expansion of gaming in the State of Pennsylvania. There are a lot of strong arguments on each side of the issue. A lot of us have come to support this measure, but it has been through a very arduous process of thought, reflection, and I respect, for one, many in the audience and many certainly in the Chamber tonight who have very strong religious or moral opposition to the expansion of gaming. This is not an easy decision, but I do want to state very clearly that even many of us in the Caucus, at least on the Democratic side, it was very late this morning or early afternoon that we even had a semifinal version. I only hope and pray that there is a legal, final, final version that is going to hit the floor in the next half hour. But I want to state very clearly that I think most who have been very articulate and aware and have strong feelings on this measure have clearly been able to have input and have been able to impact the final work product. So I hope in no way that we convey any sense that there was not a strong opportunity for proponents as well as opponents to influence the crafting of the final version of this bill, so I strongly urge that it is time to cut bait, move forward with the debate, and I hope and pray for an eventual vote this evening.

Thank you, Madam President.

And the question recurring,
Will the Senate agree to the motion?

The yeas and nays were required by Senator ARMSTRONG and were as follows, viz:

YEA-20

Armstrong	Helfrick	Piccola	Thompson
Brightbill	Jubelirer	Punt	Wenger
Corman	Lemmond	Rafferty	White, Donald
Dent	Madigan	Rhoades	White, Mary Jo
Greenleaf	Mowery	Robbins	Wonderling

NAY-29

Boscola	Kasunic	Orie	Wagner
Conti	Kitchen	Pileggi	Waugh

Costa	Kukovich	Scarnati	Williams, Anthony H.
Earl	LaValle	Schwartz	Williams, Constance
Erickson	Logan	Stack	Wozniak
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	
Hughes	O'Pake	Tomlinson	

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,
Will the Senate agree to the bill on third consideration?

TOMLINSON AMENDMENT A2402

Senator TOMLINSON offered the following amendment No. A2402:

Amend Title, page 1, line 3, by removing the period after "practices" and inserting: ; authorizing certain racetrack gaming; providing for disbursements of revenues; establishing the Pennsylvania Gaming Control Board and the State Gaming Fund; imposing fees; providing penalties; making repeals; and making an appropriation.

Amend Bill, page 5, line 15, by striking out all of said line and inserting:

Section 2. Title 18 is amended by adding a chapter to read:
CHAPTER 92
RACETRACK GAMING

Sec.

- 9200. Short title.
- 9201. Scope.
- 9202. Legislative intent.
- 9203. Definitions.
- 9204. Pennsylvania Gaming Control Board established.
- 9205. Board's powers.
- 9205.1. Applications for license or permit.
- 9206. Authorized slot machine licenses.
- 9206.1. Slot machine license fee.
- 9207. Slot machine license application.
- 9208. Slot machine accounting controls and audits.
- 9208.1. Central control computer.
- 9208.2. Protocol information.
- 9209. Supplier and manufacturer licenses.
- 9210. Occupation permit and applications.
- 9210.1. Slot machine license application character: requirements.
- 9210.2. Slot machine license application financial: fitness requirements.
- 9211. Additional licenses and permits; approval of agreements.
- 9212. License or permit issuance.
- 9212.1. Transferability of licenses.
- 9212.2. Change in ownership of slot machine licensee.
- 9212.3. Public official financial interest.
- 9212.4. Political influence.
- 9213. Prohibited acts and penalties.
- 9213.1. Slot machine terminal proceeds.
- 9213.2. Gross terminal revenue deduction.
- 9214. Net slot machine revenue distribution and establishment: of State Gaming Fund.
- 9214.1. Responsibility and authority of department.
- 9214.2. Liens and suits for taxes.
- 9214.3. Applicants to provide certain tax information.
- 9215. Distributions from owners' revenue receipts.
- 9215.1. Transfers from State Gaming Fund.
- 9215.2. No eminent domain authority.
- 9215.3. Local zoning authority.
- 9215.4. Neighboring church, school or residence setback.
- 9215.5. Athletic event gaming.
- 9216. Compulsive and problem gambling program.
- 9217. Declaration of exemption from Federal laws prohibiting

slot machines.

- 9218. Enforcement.
- 9218.1. Automated teller machines.
- 9218.2. Native American gaming.
- 9218.3. Manufacturer market share.
- 9218.4. Liquor licenses at racetracks.
- 9219. Applicability.
- § 9200. Short title.

This chapter shall be known and may be cited as the Pennsylvania Gaming Act of 2003.

§ 9201. Scope.

This chapter deals with racetrack gaming.

§ 9202. Legislative intent.

The General Assembly hereby recognizes the following public policy purposes and declares that the following objectives of the Commonwealth are to be served by this chapter:

(1) The primary objective of this chapter, to which all other objectives and purposes are secondary, is to protect the public through the regulation and policing of all activities involving gambling and other practices that are unlawful except as provided by law, including this chapter.

(2) The authorization of limited gambling by the installation and operation of slot machines at Pennsylvania horse racetracks is intended to enhance live horse racing, entertainment and employment in this Commonwealth.

(3) The authorization of limited gaming is intended to provide a significant source of new revenue to the Commonwealth to support important and necessary educational programs, property tax reform, economic development opportunities and other similar initiatives.

(4) The authorization of limited gaming is intended to positively assist the Commonwealth's horse racing industry, support programs intended to foster and promote horse breeding and to improve the living and working conditions of personnel who work and reside in and around the stable areas of racetracks.

(5) Participation in limited gaming authorized under this chapter by any licensee or permittee shall be deemed a privilege conditioned upon the proper and continued qualification of the licensee or permittee and upon the discharge of the affirmative responsibility of each licensee to provide the regulatory and investigatory authorities of the Commonwealth assistance and information necessary to assure that the policies declared by this chapter are achieved.

(6) Strictly monitor and enforce control over all limited gaming authorized by this chapter through regulation, licensing and appropriate enforcement actions of specified locations, persons, associations, practices, activities, licensees and permittees.

(7) Establish and enforce strict financial monitoring and controls of all licensees or permittees.

(8) To take into consideration the public interest of the citizens of this Commonwealth and the social effect of gambling in any decision or order made pursuant to this chapter.

(9) To ensure the necessary integrity of the regulatory review and legislative oversight over the conduct and operation of limited gaming, and to recognize that the concentration of wealth that exists with the legalization of limited gaming could disproportionately influence the political process at all levels of government.

§ 9203. Definitions.

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

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming, including links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems for monitoring slot machines and devices for weighing or counting money.

"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this chapter. The investigation shall show the status of taxes owed to the Commonwealth and its political subdivisions.

"Backside area." Those areas of the racetrack facility that are not generally accessible to the public and which include, but are not limited to, those facilities commonly referred to as barns, track kitchen, recreation hall, stable employee quarters and training track, and roadways providing access thereto. The term does not include those areas of the racetrack facility which are generally accessible to the public, including the various buildings commonly referred to as the grandstand or the racing surfaces, paddock enclosure and walking ring.

"Board." The Pennsylvania Gaming Control Board established under section 9204 (relating to Pennsylvania Gaming Control Board established).

"Cash back." Amounts paid to a patron based on a percentage of total amounts wagered by the patron.

"Cheat." To alter the elements of chance, method of selection or criteria which determine:

- (1) The result of a game.
- (2) The amount or frequency of payment in a game.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

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

"Fund." The State Gaming Fund established under section 9214 (relating to net slot machine revenue distribution and establishment of State Gaming Fund).

"Gaming employee." Any employee of a slot machine licensee, including, but not limited to:

- (1) cashiers;
- (2) change personnel;
- (3) counting room personnel;
- (4) slot attendants;
- (5) hosts or other persons authorized to extend complimentary services;
- (6) machine mechanics;
- (7) security personnel; and
- (8) supervisors or managers.

The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverage, secretarial personnel, janitorial, stage, sound and light technicians and other nongaming personnel. The term also includes employees of a person holding a supplier's license whose duties are directly involved with the manufacture, repair or distribution of slot machines and associated equipment sold or provided to racetracks within this Commonwealth.

"Gross terminal revenue." The total of wagers received by a slot machine minus the total of:

(1) Cash or cash equivalents paid out to patrons as a result of playing a slot machine and any cash back paid to patrons either manually or paid out by the slot machine.

(2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of time as a result of playing a slot machine.

(3) Any personal property distributed to a patron as the result of playing a slot machine. This does not include travel expenses, food, refreshments, lodging or services. The term does not include counterfeit money or tokens, coins of other countries which are received in slot machines, except to the extent that they are readily convertible to official currency, cash taken in fraudulent acts perpetrated against a slot machine licensee for which the licensee is not reimbursed or cash received as entry fees for contests or tournaments in which the patrons compete for prizes.

"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine operations, including the general manager and assistant general manager of the licensed racetrack, director of slot operations, director of cage and or credit operations, director of surveillance, director of management information systems, director of security, comptroller and any employee who supervises the operations of these departments or to whom these department directors report, and such other positions which the board shall determine, based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the board. All other gaming employees, unless otherwise designated by the board, shall be classified as nonkey gaming employees.

"Licensed corporations." Legal entities that have obtained a license to conduct thoroughbred or harness horse race meetings respectively

with pari-mutuel wagering from either the State Horse Racing Commission or the State Harness Racing Commission pursuant to the Race Horse Industry Reform Act.

"Licensed entity." Any licensed corporation, any holder of a slot machine, manufacturer, supplier or other license issued by the board pursuant to this chapter.

"Licensed racetrack" or "racetrack." The physical facility and grounds where a licensed corporation conducts thoroughbred or harness race meetings respectively with pari-mutuel wagering. The term "racetrack" or "its racetrack" shall mean the location at which live horse racing is conducted even if not owned by the licensed corporation.

"Manufacturer." A person who manufactures, builds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any slot machine, associated equipment for use or play of slot machines or associated equipment in this Commonwealth for gaming purposes.

"Manufacturer license." A license issued by the Pennsylvania Gaming Control Board authorizing a manufacturer to manufacture or produce slot machines or associated equipment for use in this Commonwealth for gaming purposes.

"Manufacturer licensee." A manufacturer that obtains a manufacturer license.

"Nonprimary location." Any facility in which pari-mutuel wagering is conducted by licensed corporations other than the racetrack.

"Occupation permit." A permit authorizing an individual to be employed or work as a gaming employee at a licensed racetrack.

"Permittee." Holder of a permit issued pursuant to this chapter.

"Person." A natural person, corporation, organization, business trust, estate, trust, partnership, association or any other legal entity.

"Progressive jackpot." A slot machine wager payout that increases in a monetary amount.

"Progressive slot machine." A slot machine that is connected to a progressive system.

"Progressive system." A computerized system linking slot machines in one or more racetracks and offering one or more common progressive jackpots.

"Race Horse Industry Reform Act." The act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.

"Slot machine." Any mechanical, electrical or other device, contrivance, terminal or machine approved by the Pennsylvania Gaming Control Board which, upon insertion of a coin, bill, ticket, token or similar object therein or upon payment of any consideration whatsoever, including the use of any electronic payment system except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, tickets, tokens or electronic credits to be exchanged for cash or to receive merchandise or any thing of value whatsoever, whether the payoff is made automatically from the machine or manually. A slot machine:

- (1) may utilize spinning reels or video displays, or both;
- (2) may or may not dispense coins, tickets or tokens to winning patrons; and
- (3) may use an electronic credit system for receiving wagers and making payouts.

The term shall include associated equipment necessary to conduct the operation of slot machines.

"Slot machine license." A license authorizing a licensed corporation to place and operate slot machines at a specific racetrack pursuant to this chapter and the rules and regulations promulgated under this chapter.

"Slot machine licensee." A licensed corporation that holds a slot machine license.

"State Treasurer." The State Treasurer of the Commonwealth.

"Supplier." A person who sells, leases, offers or otherwise provides, distributes any slot machine, parts or associated equipment for use or play of slot machines or associated equipment in this Commonwealth.

"Supplier license." A license issued by the Pennsylvania Gaming Control Board authorizing a supplier to provide products or services related to slot machines or associated equipment to slot machine licensees.

"Supplier licensee." A supplier that holds a supplier license.
 § 9204. Pennsylvania Gaming Control Board established.

(a) Board established.—There is hereby established an independent administrative board to be known as the Pennsylvania Gaming Control Board, which shall be implemented as set forth in this section.

(b) Membership.—The board shall consist of the following members, who shall serve a set term and may not be removed except for good cause:

(1) Three members appointed by the Governor.

(2) One member appointed by each of the following legislative caucus leaders:

(i) The President pro tempore of the Senate.

(ii) The Minority Leader of the Senate.

(iii) The Speaker of the House of Representatives.

(iv) The Minority Leader of the House of Representatives.

No more than four members shall be from the same political party.

(c) Initial appointments to board.—

(1) Members initially appointed by the Governor shall serve the following staggered terms, which shall be designated when the nomination is submitted to the Senate:

(i) One member shall serve an initial term of four years.

(ii) One member shall serve an initial term of three years.

(iii) One member shall serve an initial term of two years.

(2) Members initially appointed pursuant to subsection (b)(2) shall serve until the third Tuesday in January 2005 and until their successors are appointed and qualified.

(3) Any appointment to fill a vacancy shall be for the unexpired term. Members so appointed to fill the unexpired term of an initial appointee shall be subject to the provisions of subsection (d).

(d) Appointments after expiration of initial term or upon vacancy.—Upon the expiration of a term of a member appointed under this subsection or upon the happening of a vacancy of a member appointed pursuant to subsection (c), the appointing authority shall appoint a member subject to the following:

(1) For an appointment for which the Governor is the appointing authority, the Governor shall nominate and with the advice and consent of a majority of the members elected to the Senate, appoint a member whose term shall be for four years and until a successor is appointed and qualified.

(2) Terms for members appointed pursuant to subsection (b)(2) shall expire on the third Tuesday of January of each odd-numbered year but such members shall continue to serve until their successors are appointed and qualified.

(3) No member shall serve more than two successive terms.

(e) Ex officio members.—The Secretary of Revenue, the Secretary of Agriculture and the State Treasurer shall serve on the board as nonvoting ex officio members of the board.

(f) Majority vote.—A qualified majority of five of the seven members of the board shall be required for any action, including the granting of any license to be issued by the board under this chapter or the making of any order or the ratification of any act done or order made by one or more of the members.

(g) Background investigation.—Appointees shall be subject to a background investigation conducted by the Pennsylvania State Police in accordance with section 9218(a) (relating to enforcement) and submitted to the appointing authority.

(h) Qualifications and restrictions.—

(1) Each member, at the time of appointment and during the term of office, shall be a resident of this Commonwealth, shall be not less than 25 years of age and shall have been a qualified elector of this Commonwealth for a period of at least one year immediately preceding appointment.

(2) No person shall be appointed a member of the board or hold any place, position or office under it if the person holds any other appointive or elected office or party officer as defined in section 9212.3 (relating to public official financial interest) in this Commonwealth or any of its political subdivisions except ex officio members under this section. Members appointed pursuant to this section shall devote full time to their official duties.

(3) No member shall hold any office or position, the duties of

which are incompatible with the duties of the office as a member, or be engaged in any business, employment or vocation for which the member shall receive any remuneration, except as provided in this chapter.

(4) No employee, appointee or official engaged in the service of or in any manner connected with the board shall hold any office or position, or be engaged in any employment or vocation, the duties of which are incompatible with employment in the service of or in connection with the work of the board.

(5) No member shall be paid or accept for any service connected with the office any fee other than the salary and expenses provided by law.

(6) No member shall participate in any hearing or proceeding in which the member has any direct or indirect pecuniary interest.

(7) At the time of appointment, and any time thereafter, annually, each member shall disclose the existence of all security holdings in any licensed entity or its affiliates held by such member, his or her spouse and any minor or unemancipated children and must either divest or place in a blind trust such securities. A member may not acquire any further security holdings in any licensed entity or its affiliates during the member's tenure. As used in this section, "blind trust" means a trust over which neither a member, a member's spouse nor any minor or unemancipated child shall exercise any managerial control and from which neither the member, a member's spouse nor any minor or unemancipated child shall receive any income from the trust during the member's tenure of office. Such disclosure statement shall be filed with the executive director of the board and with the appointing authority for such member and shall be open to inspection by the public during the normal business hours of the board during the tenure of the member.

(8) Every member, and every individual or official, employed or appointed to office under, in the service of or in connection with the work of the board is forbidden, directly or indirectly, to solicit or request from, or to suggest or recommend to any licensed entity, or to any officer, attorney, agent or employee thereof, the appointment of any individual to any office, place or position in or the employment of any individual in any capacity by such licensed entity.

(9) Every member or employee appointed to office in the service of or in connection with the work of the board is prohibited from accepting employment with any licensed entity for a period of four years from the termination of service as a member or employee, and every member is prohibited from appearing before the board on behalf of any licensed entity or other licensee or permittee of the board for a period of three years after terminating employment or service with the board.

(10) If any person employed or appointed in the service of the board violates any provision of this section, the appointing authority or the board shall forthwith remove such person from the office or employment, and such person shall be ineligible for future employment or service with the board.

(11) No member or employee of the board shall wager or be paid any prize from any wager at any slot machine at any facility of a licensed corporation.

(i) Open proceedings and records.—The proceedings of the board shall be conducted in accordance with the provisions of 65 Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an agency for purposes of the act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law. Notwithstanding any provision of law to the contrary, confidential documentation relative to personal background information provided to the board pursuant to this chapter and any deliberations thereof, including disciplinary proceedings, may be considered in closed executive session.

(j) Compensation.—The members shall be paid an annual salary of \$150,000. Members shall be reimbursed for all necessary and actual expenses. The Executive Board shall establish the compensation for the employees of the board in accordance with section 709 of The Administrative Code of 1929.

(k) Chairman.—Immediately after all initial members have been appointed and duly qualified, and not before, the chairman shall be selected by the Governor to serve a term designated by the Governor.

(l) Appointments.—The appointing authorities shall make their appointments within 60 days of the effective date of this chapter.

(m) Disclosure statements.—Members and employees of the board are subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure) and the act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.

§ 9205. Board's powers.

(a) General powers.—The board shall be responsible to ensure the integrity of the acquisition and operation of slot machines and associated equipment at racetracks and shall have jurisdiction over every aspect of the authorization and operation of slot machines at racetracks. The board shall employ an executive director, deputies, secretaries, officers and agents as it may deem necessary, who shall serve at the board's pleasure. The board shall also employ such other employees as it deems appropriate whose duties shall be prescribed by the board. Legal counsel for the board shall be appointed by the board. The board shall be subject to the provisions of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, as to classification and compensation for all its employees and conduct its activities consistent with the practices and procedures of Commonwealth agencies.

(b) Specific powers.—The board shall have the specific power and duty:

(1) To require background investigations on prospective or existing licensees and permittees under the jurisdiction of the board and shall enter into an agreement with the Pennsylvania State Police in cooperation with the Office of Attorney General to perform such background investigations. The agreement shall include reimbursement based on actual costs to the Pennsylvania State Police and the Office of Attorney General for such investigations.

(2) At its discretion, to issue, renew or deny issuance or renewal of slot machine licenses.

(3) At its discretion, to issue, renew or deny issuance or renewal of supplier and manufacturer licenses.

(4) At its discretion, to issue, renew or deny issuance or renewal of occupation permits.

(5) At its discretion, to issue, renew or deny issuance or renewal of any additional licenses or permits required by the board under this chapter or by regulation.

(6) To require applicants for licenses and permits to submit with their application a full set of fingerprints which shall be submitted by the Pennsylvania State Police to the Federal Bureau of Investigation for purposes of verifying the identity of the applicants and obtaining records of criminal arrests and convictions.

(7) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes, or seeks to furnish, to a slot machine licensee any services or property related to slot machines and associated equipment at its racetrack through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines and associated equipment. The board may require any such person to comply with the requirements of this chapter and the regulations of the board or may prohibit the person from furnishing such services or property.

(8) Together with its designated officers, employees or agents, to administer oaths, examine witnesses and issue subpoenas to compel attendance of witnesses and production of all relevant and material reports, books, papers, documents and other evidence.

(9) To promulgate regulations as the board deems necessary to carry out the policy and purposes of this chapter and to enhance the credibility and the integrity of the licensed operation of slot machines and associated equipment in this Commonwealth. Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of this chapter, regulations promulgated by the board during the first year following the effective date of this chapter shall be deemed temporary regulations which shall expire no later than two years following the effective date of this chapter or upon adoption of regulations promulgated and adopted as generally provided by law.

The temporary regulations shall not be subject to:

(i) Sections 201 through 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(ii) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(iii) This paragraph shall expire one year from the effective date of this chapter. Regulations adopted after the one-year period shall be promulgated, adopted and published as provided by law.

(10) To levy and collect fees from the various applicants, licensees and permittees to fund the operations of the board. The fees shall be paid to the Treasury Department through the Department of Revenue and deposited into the State Gaming Fund. In addition to the fees set forth in section 9206.1 (relating to slot machine license fee), the board shall assess and collect fees as follows:

(i) Supplier license applicants and supplier licensees shall pay a fee of \$25,000 for the issuance of a license and \$10,000 for the renewal of a supplier license.

(ii) Manufacturer license applicants and manufacturer licensees shall pay a fee of \$50,000 for the issuance of a license and \$20,000 for the renewal of a manufacturer license.

(iii) Each application for a slot machine license, a supplier license or a manufacturer license must be accompanied by a nonrefundable fee of \$150 for each individual requiring a background investigation. The reasonable and necessary costs and expenses incurred in any background investigation or other investigation or proceeding concerning any applicant, licensee or permittee shall be reimbursed to the board by those persons.

(11) To provide for the assessment and collection of fines and penalties for violations of this chapter. All fines and penalties shall be credited for deposit to the General Fund. Two years following enactment of this chapter, the board shall have the authority to increase each year any fee, charge, cost, salary or administrative penalty provided in this chapter by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area, for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics, immediately prior to the date the adjustment is due to take effect.

(12) To deny renewal, revoke or suspend any license or permit provided for in this chapter if the board finds by a preponderance of the evidence that a licensee or permittee under this chapter, its officers, employees or agents have failed to comply with the provisions of this chapter or the rules and regulations of the board and that it would be in the public interest to deny renewal, revoke or suspend the license or permit.

(13) To restrict access to confidential information in the possession of the board which has been obtained under this chapter and ensure that the confidentiality of information is maintained and protected. Records shall be retained for seven years.

(14) To prescribe and require periodic financial reporting and internal control requirements for all licensed entities.

(15) To require that each licensed entity provide to the board its audited annual financial statements, with such additional detail as the board, from time to time, shall determine, which information shall be submitted not later than 90 days after the end of each such licensee's fiscal year.

(16) To prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation of slot machines.

(17) To prescribe criteria and conditions for the operation of slot machine progressive systems.

(18) To enforce prescribed hours for the operation of slot machines so that slot machine licensees may operate slot machines on any day during the year for up to 20 consecutive hours each day provided that, in order to meet the needs of patrons or to meet competition, the board in its discretion may permit operations up

to 24 hours per day.

(19) To require that each licensed corporation and slot machine licensee prohibit persons under 21 years of age from operating or using slot machines.

(20) To establish procedures for the inspection and certification of compliance of each slot machine prior to being placed into use by a slot machine licensee. No slot machine may be set to pay out less than 75% or more than 96% of all wagers on an average annual basis unless specifically approved otherwise by the board, provided the average payout during any calendar year of all slot machines at each licensed racetrack shall be not less than 87% and not more than 96%.

(21) One year following the date of commencement of slot machine operation at a racetrack, to grant at its discretion, approval for a slot machine licensee to install and operate up to 2,000 additional slot machines at its racetrack, beyond those machines authorized under section 9207(c)(3) (relating to slot machine license application), upon application by the slot machine licensee. The board, in considering such an application, shall take into account the appropriateness of the physical space where the additional slot machines will be placed, the level of demand for such additional slot machines and the convenience of the public attending the facility. The board may also take into account the potential benefit to economic development and tourism, enhanced revenues to the Commonwealth and such other economic indicators it deems applicable in making its decision.

(c) Reports.—The following reports shall be required annually:

(1) Eighteen months after the effective date of this chapter and every year on that date thereafter, the board shall issue a report to the Governor and the General Assembly on the general operation of the board and each slot machine licensee during the previous year, including, but not limited to, all taxes, fees, fines and other revenues collected and, where appropriate, disbursed, the costs of operation of the board, all hearings conducted and the results thereof and other information that the board deems necessary and appropriate.

(2) No later than March 15 after the effective date of this chapter and every year thereafter, the Legislative Budget and Finance Committee shall issue a report to the General Assembly analyzing the impact, if any, of this chapter on the State Lottery.

§ 9205.1. Applications for license or permit.

(a) Applications.—An application for a license or permit to be issued by the board shall be submitted on a form and in a manner as shall be required by the board. In reviewing applications, the board shall affirm that the applicable license or permit fees have been paid in accordance with this chapter.

(b) Completeness of applications.—The board shall not consider an incomplete application and shall notify the applicant in writing if an application is incomplete. An application shall be considered incomplete if it does not include a current, at the time of filing the application, tax lien certificate issued by the department. Any unpaid taxes identified on the tax lien certificate shall be paid before the application is considered complete. A notification of incompleteness shall state the deficiencies in the application that must be corrected prior to consideration of the merits of the application.

(c) Adverse litigation.—Notwithstanding any law to the contrary, neither the board nor the State Harness Racing Commission or the State Horse Racing Commission shall consider any application for a license if the applicant or any person affiliated with or directly related to the applicant is a party in any ongoing civil proceeding involving an appeal of a decision or order of the State Harness Racing Commission or the State Horse Racing Commission, pertaining to an issuance of a license to conduct thoroughbred or harness horse race meetings respectively with pari-mutuel wagering.

§ 9206. Authorized slot machine licenses.

(a) Eligibility.—A licensed corporation shall be eligible to apply for a slot machine license to place and operate slot machines at its racetrack if the licensed corporation meets one of the following:

(1) (i) the licensed corporation or its predecessor owner of the licensed racetrack has conducted live horse races for no less than two years immediately preceding the effective date of this chapter; or

(ii) a licensed corporation that has not previously conducted live racing at a racetrack and will successfully conduct live racing for a minimum of 100 days within 365 days of the approval of its slot machine license for the racetrack. Failure to meet the required minimum number of days in the first year of licensure will result in immediate forfeiture of the slot machine license.

(2) Except as provided in paragraph (1)(ii), the licensed corporation must conduct live racing at the racetrack for at least 100 days per calendar year, for each license held by the licensed corporation pursuant to the Race Horse Industry Reform Act. If a racing day is canceled by a licensed corporation for reasons beyond its control, the appropriate commission shall grant the licensed corporation the right to conduct that racing day in the same or next ensuing calendar year. The purse for that racing day shall not be used for the purse of other scheduled racing days of that calendar year and must be used for the purse of such rescheduled day.

(b) Limitations.—The issuance of a slot machine license to a licensed corporation shall entitle the licensee to operate slot machines only in the grandstand area or a building or structure contiguous to the grandstand area of the racetrack. A contiguous building or structure is a nearby building or structure that is connected to the racetrack by a covered walkway or like structure as approved by the board. However, a licensed corporation or its predecessor owner of the licensed racetrack that has conducted live horse races for no less than two years immediately preceding the effective date of this chapter shall not be subject to this requirement for a two-year period from the effective date of this chapter and may seek approval from the board to extend this period for an additional two years. The slot machine licensee shall have its slot machines operational and available for play within one year of being granted a license, unless otherwise extended, for a period not to exceed two years, by the board, for extraordinary circumstances. Authorization for a licensed corporation to continue the operation of slot machines shall be limited to those slot machine licensees that:

(1) Have a written live racing agreement with a horsemen's organization representing a majority of owners and trainers at the racetrack where the licensed corporation conducts racing dates.

(2) Have 95% of the total number of horse or harness racing days that were scheduled in 1986 by it or its predecessor at the racetrack where the licensed corporation conducts racing dates, or a newly licensed corporation which opens a new racetrack scheduling a minimum of 100 days of live racing in the initial year of operation shall be allowed to operate slot machines, intrastate and interstate simulcast, from the first day of the calendar year in which it has been granted racing days.

(3) Subject to actions or activities beyond the control of the licensee conduct not fewer than eight live races per race date during each meet at the racetrack where the licensed corporation conducts racing dates, except for thoroughbred tracks on the day designated as breeder's cup event day, when the racetrack shall hold a minimum of five live races. The licensed corporation shall not waive or modify the provisions pertaining to the required number of racing days under paragraph (2) and races per day scheduled in this subsection without the consent of the horsemen's association representing a majority of owners and trainers at the racetrack.

(4) Notwithstanding the provisions of paragraph (1), in the event that a written live racing agreement has not been entered into, permission for any licensee to operate slot machines and racetracks shall be granted provided that the licensed corporation has continued to conduct live racing in accordance with subsection (b)(2) and (3) and keeps its racetrack open to the general population of owners, trainers and horses stabled there for training and stabling on a regular basis and during such periods, when it is normally open for live racing and during such periods, and continues to comply with all provisions of the most recently expired live racing agreement, including recognition of the then existing horsemen's association at each such racetrack as the sole representative of the horsemen at that time, and pays purses as defined in the most recently expired live racing agreement plus the applicable purse revenue for operating a slot machine under this section.

(c) Temporary facility.—A licensed corporation which has operated

a pari-mutuel racing facility for at least two years before the effective date of this chapter and which has been granted a license pursuant to this section may operate the slot machines in a temporary facility consistent with subsection (b). In the case of a newly licensed corporation, the board may approve the use of a temporary facility only if the corporation has scheduled and will successfully conduct a minimum of 50 days of live racing in the initial full calendar year of operation from the first day of the full calendar year in which it has been granted authority to conduct horse racing with pari-mutuel wagering. However, an extension of up to an additional year may be granted by the board upon a showing by the licensed corporation that it has been proceeding in good faith to meet the minimum 50-day live racing agreement and that it has the consent of the horsemen's organizations representing a majority of owners and trainers at the racetrack.

(d) Prohibition.—No applicant, including directors, owners and key employees, that has been convicted, in any jurisdiction, of a felony, crime of moral turpitude or gambling offense may be issued a slot machine license under this chapter.

(e) Credit.—Slot machine licensees may not extend credit but may cash personal or bank checks in compliance with the regulations of the board. Slot machine licensees may not accept credit cards, charge cards or debit cards from a player for the exchange or purchase of slot machine credits or for an advance of coins or currency to be utilized by a player to play slot machine games or extend credit, in any manner, to a player so as to enable the player to play a slot machine.

§ 9206.1. Slot machine license fee.

(a) Imposition.—Subject to the requirements of subsection (b), the board shall impose a one-time slot machine license fee to be paid by each successful applicant in an amount of \$50,000,000.

(b) Term.—A slot machine license, after payment of the fee, shall be in effect unless rescinded by the board upon good cause consistent with the license requirements as provided for in this chapter. The license of a licensee in good standing shall be updated and renewed annually. As to the renewal of a license, no additional license fee pursuant to subsection (a) shall be required.

(c) Credit against tax for slot machine licensees.—If the rate of tax imposed by section 9214 (relating to net slot machine revenue distribution and establishment of State Gaming Fund) is increased at any time during the term of a slot machine license, the slot machine licensee shall be entitled to a credit against the tax equal to the difference between the tax calculated at the rate when the license was issued and the tax calculated at the increased rate. This credit shall be applied on a dollar-for-dollar basis as and when the tax is payable as set forth in section 9214, but shall not extend beyond the ten-year period following the issuance of the license. The aggregate amount of all credits granted shall not exceed the amount of the licensing fee paid by the licensee. The department shall enter into a contract with each slot machine licensee setting forth the terms and conditions of this credit and the provisions of subsection (d).

(d) Return of entire slot machine license fee.—In the event that any specific power or membership of the board established in section 9204 (relating to Pennsylvania Gaming Control Board established) is altered in any fashion whatsoever, or the number of persons eligible to apply for and receive a slot machine license is subsequently increased beyond the number permitted in section 9206 (relating to authorized slot machine licenses) at the time of the effective date of this chapter or other gaming license or permit subsequently authorized and issued, the entire one-time slot machine license fee of \$50,000,000 imposed by subsection (a) shall be returned to the licensee.

(e) Deposit of license fee.—The total amount of all license fees imposed and collected by the board under this section shall be deposited in the State Gaming Fund.

(f) Change of ownership or control of a license.—In the event that any slot machine license is transferred pursuant to section 9212.2 (relating to change in ownership of slot machine licensee), the transferee shall be entitled to the full remaining amount of the credit set forth in subsection (c) or the complete return of the license fee set forth in subsection (d) as if the transferee license was the original licensee.

§ 9207. Slot machine license application.

(a) Application.—Any licensed corporation which meets the requirements of section 9206 (relating to authorized slot machine

licenses) or that desires to install additional slot machines pursuant to section 9205(b)(24) (relating to board's powers) at its licensed racetrack shall file an application with the board in such form as shall be prescribed by the board. Only one slot machine license shall be granted per racetrack.

(b) Requirements.—The application for a slot machine license shall include, but not be limited to:

(1) The name and address of the licensed corporation, a list of all directors and owners and a list of key employees and their positions within the corporation, as well as any financial information required by the board.

(2) The proposed location of the slot machine areas pursuant to section 9206(b).

(3) The number of slot machines requested. A successful applicant shall receive approval by the board for the operation of up to 3,000 slot machines at any one racetrack, and shall be required to operate a minimum of 1,500 machines at any one racetrack within one year of operation, except as provided in section 9206(h).

(4) In those instances where additional slot machines are being requested, the justification and explanation for the number and location of the slot machine areas within the confines of the racetrack.

(5) The current status of the licensed corporation's Pennsylvania racing license issued pursuant to the Race Horse Industry Reform Act.

(6) Details of any slot machine or casino license granted or denied to the applicant by other jurisdictions where such form of gaming is legal.

(7) Details of any loans not obtained from a financial institution.

(8) Any other information determined to be appropriate by the board.

§ 9208. Slot machine accounting controls and audits.

(a) Approval.—Except as otherwise provided by this chapter, each licensed corporation which desires to install and operate slot machines at its racetrack shall, in addition to obtaining a slot machine license, obtain approval from the board in consultation with the department of its proposed internal control systems and audit protocols prior to the installation and operation of slot machines.

(b) Minimum requirements.—At a minimum, the licensed corporations proposed internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including, but not limited to, the recording of cash and evidences of indebtedness related to the slot machines.

(2) Provide for reliable records, accounts and reports of any financial event that occurs in the operation of a slot machine, including reports to the board related to the slot machines.

(3) Ensure, as provided in section 9208.1 (relating to central control computer), that all slot machines within each racetrack are directly connected to each racetrack's central computerized system which shall provide details of any financial event that occurs in the operation of a slot machine, including, but not limited to, coin in, coin out, jackpots, machine door openings and power failures.

(4) Provide for accurate and reliable financial records.

(5) Ensure any financial event that occurs in the operation of a slot machine is performed only in accordance with the management's general or specific authorization.

(6) Ensure that any financial event that occurs in the operation of a slot machine is recorded adequately to permit proper and timely reporting of gross revenue and the calculation thereof and of fees and taxes and to maintain accountability for assets.

(7) Ensure that access to assets is permitted only in accordance with management's specific authorization.

(8) Ensure that recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies.

(9) Ensure that all functions, duties and responsibilities are appropriately segregated and performed in accordance with sound financial practices by competent, qualified personnel.

(c) Internal control.—Each licensed corporation which applies for a slot machine license at its racetrack shall submit to the board, in such

manner as the board shall require, a description of its administrative and accounting procedures in detail, including its written system of internal control. Each written system shall include:

- (1) Records of direct and indirect ownership in a licensed corporation.
- (2) An organizational chart depicting appropriate segregation of functions and responsibilities.
- (3) A description of the duties and responsibilities of each position shown on the organizational chart.
- (4) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsection (a).
- (5) Record retention policy.
- (6) Procedure to ensure that assets are safeguarded, including mandatory count procedures.
- (7) A statement signed by the chief financial officer of the licensed corporation and the chief executive officer of the licensed corporation attesting that they believe, in good faith, the system satisfies the requirements of this section.
- (8) Any other item that the board may require.

§ 9208.1. Central control computer.

(a) General rule.—To facilitate the auditing and security programs critical to the integrity of slot machine gaming in this Commonwealth, the department shall have overall control of slot machines and all slot machine terminals shall be linked, directly and indirectly, to a central control computer under the control of the department to provide auditing program information as approved by the department and shall include real time information retrieval and terminal activation and disable programs. The central control computer system selected and employed by the department shall not limit or favor the participation of a vendor or manufacturer of a slot machine as a result of the cost or difficulty of implementing the necessary program modifications to communicate with and link to the central site computer. The central control computer system and all associated contractors shall be selected in accordance with the Commonwealth's procurement requirements and procedures. The central computer system selected and employed by the department shall provide:

- (1) A fully operational Statewide slot machine control system that has the capability of supporting up to 40,000 slot machines as may be required, and technology upgrades necessary to maintain a fully operational and proper reporting capability for a period of ten years.
- (2) The employment of a widely accepted gaming industry protocol to facilitate slot machine manufacturers' ability to communicate with the system.
- (3) The delivery of a system that has the capability to support in-house and wide area progressive slot machines as approved by the board.
- (4) The delivery of a system that allows the slot machine licensee to install independent player tracking systems, to include cashless technology as approved by the board.
- (5) The delivery of a system that does not alter the statistical awards of games, as designed by the game manufacturer and approved by the board.

(b) Limited definition.—For the purpose of this section, the term "central control computer" shall be a central site computer provided to and controlled by the department to which all slot machines communicate for the purpose of real time information retrieval or machine activation or the disabling of slot machines.

§ 9208.2. Protocol information.

The board shall provide, in advance of the operation of a central control computer, to a slot machine provider or manufacturer the protocol documentation data necessary to enable the respective slot machine provider's or manufacturer's slot machine terminals to communicate with the board's central control computer for the purpose of transmitting auditing program information and for activating and disabling of slot machine terminals.

§ 9209. Supplier and manufacturer licenses.

(a) Application.—Any person seeking to provide slot machines or associated equipment to a slot machine licensee within this Commonwealth or to manufacture slot machines for use in this Commonwealth shall apply to the board for a supplier or manufacturer

license. No applicant for, or holder of, a manufacturer license shall be eligible to apply for or hold a supplier license. Within one year of being granted a supplier license, the licensee shall establish a place of business in this Commonwealth and maintain such during the period in which the license is held. The board shall be authorized to issue up to seven supplier licenses. No licensed slot machine operator shall enter into any sale, lease, contract or any other type of agreement providing slot machines, parts or associated equipment for use or play with any person other than a supplier licensed pursuant to this section. A supplier may represent or contract with more than one manufacturer. No manufacturer may be represented by or contract with more than one supplier.

(b) Requirements.—The application for a supplier or manufacturer license shall include, but not be limited to:

- (1) The name and business address of the directors and owners and a list of employees and their positions within the business, as well as any financial information required by the board.
- (2) Consent to a background investigation of the applicant.
- (3) Details of any supplier or equivalent license granted or denied by other jurisdictions where gaming is legal.
- (4) The type of goods and services to be supplied or manufactured and whether those goods and services will be provided through purchase, lease, contract, or otherwise.
- (5) Any other information determined by the board to be appropriate.

§ 9210. Occupation permit and applications.

(a) Application.—Any person who desires to be a gaming employee shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless, and until, the person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with this chapter's objectives.

(b) Requirements.—The application for an occupation permit shall include, but not be limited to:

- (1) The name and home address of the person.
- (2) The previous employment history of the person.
- (3) Any criminal history record of the person, as well as consent for the Pennsylvania State Police to conduct an investigation into the individual's criminal history record and provide the same to the board.
- (4) The nature and scope of the proposed duties of the person, if known.
- (5) Details of any occupation permit or similar license granted or denied to the applicant in other jurisdictions.
- (6) Any other information determined by the board to be appropriate.

(c) Prohibition.—No slot machine licensee may employ or permit any person under 18 years of age to render any service whatsoever in any area of its racetrack at which slot machines are located.

§ 9210.1. Slot machine license application character requirements.

Every application for a slot machine license issued by the board shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence the applicant's good character, honesty and integrity. Such information, shall include, without limitation, information pertaining to family, habits, character, reputation, criminal and arrest record, business activities, financial affairs and business, professional and personal associates, covering at least the ten-year period immediately preceding the filing of the application. Each applicant shall notify the board of any civil judgments obtained against any such applicant pertaining to antitrust or security regulation laws of the Federal Government, this Commonwealth or any other state, jurisdiction, province or country. In addition, each applicant shall produce a letter of reference from law enforcement agencies having jurisdiction in the applicant's place of residence and principal place of business, which letter of reference shall indicate that such law enforcement agencies do not have any pertinent information concerning the applicant or, if such law enforcement agency does have information pertaining to the applicant, shall specify what that information is. If the applicant has conducted gaming operations in a jurisdiction which permits such activity, the applicant shall produce a letter of reference from the gaming or casino enforcement or control agency which shall

specify the experiences of such agency with the applicant, his associates and his gaming operation, provided, however, that if no such letters are received within 30 days of the request, the applicant may submit a statement under oath that he is or was during the period such activities were conducted in good standing with such gaming or casino enforcement or control agency.

§ 9210.2. Slot machine license application financial fitness requirements.

(a) Applicant financial information.—The board shall require each applicant for a slot machine license to produce such information, documentation and assurances concerning financial background and resources as it deems necessary to establish by a preponderance of evidence the financial stability, integrity and responsibility of the applicant, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. In addition, each applicant shall, in writing, authorize the examination of all bank accounts and records as may be deemed necessary by the board.

(b) Financial backer information.—The board shall require each applicant for a slot machine license to produce such information, documentation and assurances as may be necessary to establish by clear and convincing evidence of the integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed. However, this section shall not apply to banking or other licensed lending institutions and institutional investors which are waived from the qualification requirements. Any such banking or lending institution or institutional investor shall, however, produce for the board upon request any document or information which bears any relation to the proposal submitted by the applicant or applicants. The integrity of financial sources shall be judged upon the same standards as the applicant. Any such individual or entity shall produce for the board upon request any document or information which bears any relation to the application. In addition, the applicant shall produce whatever information, documentation or assurances the board requires to establish by a preponderance of evidence the adequacy of financial resources.

(c) Applicant's business experience.—The board shall require each applicant for a slot machine license to produce such information, documentation and assurances as the board may require to establish by a preponderance of evidence that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation. Slot machine licensee applicants shall produce the names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.

§ 9211. Additional licenses and permits; approval of agreements.

(a) Requirements.—In addition to the requirements for a license or permit specifically set forth in this chapter, the board may require a license or permit, and set a fee for the same, for any key or gaming employee or any person who satisfies any of the following criteria:

(1) The person transacts business within this Commonwealth with a slot machine licensee as a ticket purveyor, a tour operator, the operator of a bus trip program or the operator of any other type of travel program or promotional business related to slot machines. The board may also review, order modification and approve, at its discretion, proposed tours, bus routes and travel programs.

(2) The person is presently not otherwise required to be licensed under this chapter and provides any goods, property or services for compensation to a slot machine licensee related to slot machines at the racetrack.

(b) Agreement.—Any agreement to conduct business within this Commonwealth between a person and a slot machine licensee relating to slot machines or associated equipment is subject to the approval of the board. Every agreement shall be in writing and include a provision for its termination without liability on the part of the slot machine licensee upon a finding by the board that the agreement is not approved or that it is terminated. Failure to expressly include this condition in the agreement is not a defense in any action brought under this section relating to the termination of the agreement.

§ 9212. License or permit issuance.

(a) Issuance.—Any licensed corporation, supplier, manufacturer, gaming employee or other person that the board determines is qualified

to receive a license or a permit under this chapter may be issued a license or permit upon the payment of any fee required.

(b) Eligibility.—A license or permit shall not be granted or renewed unless the board finds that the applicant satisfies all of the following criteria:

(1) The applicant is a person of good character, honesty and integrity. In making this determination, the board shall consider the report of any required background investigation and the applicant's criminal history record as compiled by the Pennsylvania State Police. If the applicant has been convicted, in any jurisdiction, of a felony, a crime related to the activities of gambling or a crime of moral turpitude, then the board shall not issue a license under this chapter.

(2) The applicant is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or to the effective regulation and control of slot machine operations or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine operations or the carrying on of the business and financial arrangements incidental to it.

(3) The applicant in all other respects is found suitable consistent with the laws of this Commonwealth and is otherwise qualified to be issued a license or permit.

(c) Alternate standards.—The board may determine whether the licensing standards of another jurisdiction within the United States or Canada in which a slot machine license applicant is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this chapter. If the board makes that determination, it may issue a slot machine license to an applicant for any slot machine license or permit already held by the applicant in such other jurisdiction without the necessity of a full application and background investigation. In the event such slot machine applicant is licensed in another jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the grant of a license or permit to such an applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

(d) Conditional licenses.—Notwithstanding the requirements of subsections (b) and (c), the board may issue a conditional license, upon payment of the fee pursuant to section 9206.1(a) (relating to slot machine license fee), to an applicant who has been granted a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness horse race meetings, with pari-mutuel wagering and who conducts live racing. This license may be issued prior to the completion of the background investigation and prior to full compliance by the applicant with subsection (b). An applicant shall provide the board with satisfactory evidence of suitability and financial capability of the applicant to be a slot machine licensee prior to the board granting the conditional license. Upon receipt of a conditional license the applicant shall submit all information necessary for a background investigation and comply with all the requirements of this chapter for a slot machine license as provided in subsection (b). If the holder of a conditional license does not receive board approval of a slot machine license under the standards set forth in subsection (b) within 18 months, the conditional license shall expire, unless a delay in reviewing the license application is not caused, directly or indirectly, by the license applicant. If the holder of a conditional license does not receive board approval of a slot machine license prior to expiration of the conditional license or is denied, the holder of the conditional license shall be entitled to a return of a share of its slot machine license fee in the amount of \$42,500,000. Failure to meet the requirements of this section for licensure shall cause immediate forfeiture of the license and revocation of authorization to operate slot machines at the licensed facility.

(e) Information sharing.—With respect to the administration, supervision and enforcement of this chapter, the board, the Pennsylvania State Police or the Office of Attorney General may obtain or provide pertinent information regarding applicants, licensees, permittees or potential licensees or permittees with law enforcement entities or gaming authorities of the Commonwealth and other jurisdictions.

(f) Unsworn falsification to authorities.—Any person submitting

information required to be provided to the board under this chapter shall be subject to section 4904 (relating to unsworn falsification to authorities).

(g) **Renewal.**—All permits and licenses, except as otherwise provided, shall be valid for a period of up to one year and upon proper application and payment of any renewal fee to the board may be renewed on an annual basis.

(h) **Referral.**—The board shall refer any matter relating to any licensee, applicant or permittee to the Pennsylvania State Police or the Office of Attorney General as it deems appropriate.

§ 9212.1. Transferability of licenses.

A license or permit issued by the board is a grant of privilege to conduct a business in the Commonwealth. A license or permit granted or renewed pursuant to this chapter shall not be transferred or assigned to another person, nor shall a license or permit be pledged as collateral.

§ 9212.2. Change in ownership of slot machine licensee.

(a) **Notification.**—A slot machine licensee shall notify the board of any proposed or contemplated change of ownership or control of the slot machine licensee which involves more than 5% of a slot machine licensee's voting stock or more than 5% of the voting stock of a corporation which controls the licensee or the sale of a licensee's assets, other than those bought and sold in the ordinary course of business and all other transactions or occurrences deemed by the board to be relevant to license qualifications. In applying this notification standard, stock transactions involving institutional investors shall not be considered. In order for a license to remain in effect, board approval and payment of the fee pursuant to section 9206.1 (relating to slot machine license fee) shall be required prior to completion of any proposed change of ownership or control of a licensee.

(b) **Qualification of successor slot machine licensee.**—The purchaser or successor of any slot machine licensee shall independently qualify for a license or permit in accordance with this chapter and pay the license fee as required by section 9206.1(a). For purposes of this section, a change in control or ownership of a licensee or corporation which controls the licensee or the sale of a licensee's assets, other than those bought and sold in the ordinary course of business, shall be determined in accordance with 15 Pa.C.S. § 2543 (relating to controlling person or group). Failure to comply with this section may void the license issued under this chapter unless the sale has been approved in advance by the board.

§ 9212.3. Public official financial interest.

(a) **General rule.**—Except as may be provided by rule or order of the Pennsylvania Supreme Court, no executive-level State employee, public official, party officer or immediate family member thereof shall have a financial interest in or be employed, directly or indirectly, by any licensed corporation, or slot machine licensee, or any holding, intermediary or subsidiary company, thereof, or any such applicant, nor solicit or accept, directly or indirectly, any complimentary service or discount from any licensed entity which he knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstances for four years following termination of the person's status as an executive-level State employee, public official or party officer. As applied to members of the General Assembly, the period shall be five years.

(b) **Definitions.**—As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Executive-level State employee." The Governor, Lieutenant Governor, cabinet members, deputy secretaries, the Governor's office staff, any State employee with discretionary powers which may affect the outcome of a State agency's decision in relation to a private corporation or business or any executive employee who by virtue of his job function could influence the outcome of such a decision.

"Financial interest." Owning or holding stock exceeding 2% of the equity at fair market value of the licensed corporation, licensed slot machine licensee or manufacturer licensee, its holding company, subsidiary or affiliated business. A financial interest shall not include any such stock that is inherited and held in a blind trust over which the executive-level State employee, public official, party officer or immediate family member thereof may not exercise any managerial control during the tenure of office and the period under subsection (a).

"Immediate family." A parent, spouse, child, brother, sister, spouse's children, niece or nephew.

"Party officer." A member of a national committee; a chairman, vice chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairman, vice chairman, counsel, secretary or treasurer of a county committee; or a city chairman, vice chairman, counsel, secretary or treasurer of a city committee.

"Public official." Any person elected by the public or elected or appointed by a governmental body or appointed official in the executive or legislative branch of this Commonwealth or any political subdivision thereof or any governmental representative, designee or commissioner of any joint-State commission or authority appointed by the Governor.

§ 9212.4. Political influence.

(a) **Contribution restriction.**—An applicant, licensed corporation or slot machine licensee, or an entity that holds a gaming license or permit in another jurisdiction, or any holding, intermediary or subsidiary company thereof, or any officer, director, principal or key employee of an applicant or licensed entity or any holding, intermediary or subsidiary company thereof or any person or agent on behalf of any such applicant, holder, company or person, shall be prohibited from directly or indirectly contributing any money or in-kind contribution to a candidate for nomination or election to any public office in this Commonwealth or to any political committee or State party in this Commonwealth, or to any group, committee or association organized in support of any such candidate, political committee or State party.

(b) **Annual certification.**—The chief executive officer, or other appropriate individual, of each licensed entity shall annually certify, under oath, to the board and the Department of State that the applicant or licensed entity has developed and implemented internal safeguards and policies intended to prevent a violation of this provision and that the licensed entity has conducted an internal investigation that has not revealed any violation of this provision during the past year.

(c) **Penalties.**—The first violation of this section shall be punishable by a fine of not less than an average single day's gross revenue of the licensed entity derived from the operation, supply or manufacture of slot machines in the State; a second violation of this section, within five years of the first violation, shall be punishable by at least a one-day suspension of the license held by the licensed entity and a fine not less than an average two days' gross revenue of the licensed entity; a third violation of this section within five years of the second violation shall be punishable by the immediate revocation of the license held by the licensed entity.

§ 9213. Prohibited acts and penalties.

(a) **Perjury, false swearing and unsworn falsification.**—The provisions of sections 4902 (relating to perjury), 4903 (relating to false swearing), and 4904 (relating to unsworn falsification to authorities) shall apply to any person providing information or making any statement, whether written or oral, to the board, its agents or employees, the Pennsylvania State Police or the Office of Attorney General, as required by this chapter.

(b) **Nonpayment of license fee, tax or assessment.**—It is unlawful for a person to willfully:

(1) fail to report, pay or truthfully account for and pay over any license fee, tax or assessment imposed under this chapter; or

(2) attempt in any manner to evade or defeat any license fee, tax or assessment imposed under this chapter.

(c) **Unlicensed persons.**—It is unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine to be operated, transported, repaired or opened on the premises of a racetrack by a person other than a person licensed or permitted by the board.

(d) **Unlicensed activity.**—It is unlawful for a licensed entity or other person to manufacture, supply or place slot machines into play or display slot machines on the premises of a racetrack without the authority of the board.

(e) **Activity under expired license.**—It is unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine after the person's license has expired and prior to the actual renewal of the license.

(f) **Counterfeit currency.**—

(1) Except as set forth in paragraph (2), it is unlawful for an individual, on the premises of a licensed racetrack, to knowingly use currency other than lawful coin or legal tender of the United

States or a coin not of the same denomination as the coin intended to be used in the slot machine.

(2) In the playing of a slot machine, it is lawful for an individual to use gaming billets, tokens or similar objects issued by the slot machine licensee which are approved by the board.

(g) Illegal devices.—

(1) Except as set forth in paragraph (2), it is unlawful for an individual, on the premises of a licensed racetrack, to use or possess a cheating or thieving device.

(2) An authorized employee of a licensee may possess and use a cheating or thieving device only in performance of the duties of employment.

(3) As used in this subsection, the term "cheating or thieving device" means a device to facilitate the alignment of any winning combination or to remove from any slot machine money or other contents. The term includes a tool, drill, wire, coin or token attached to a string or wire and any electronic or magnetic device.

(h) Unlawful entry devices.—

(1) Except as set forth in paragraph (2), it is unlawful for an individual to knowingly possess or use, while on the premises of a licensed racetrack, a key or device designed for the purpose of or suitable for opening or entering any slot machine or coin box.

(2) An authorized employee of a licensee or a member of the board may possess and use a device referred to in paragraph (1) only in the performance of the duties of employment.

(i) Possession of illegal devices.—It is unlawful for a person or licensed entity to possess any device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of the provisions of this chapter.

(j) License or permit required.—It is unlawful for an individual to work or be employed in a position the duties of which would require licensing or permitting under the provisions of this chapter without first obtaining the requisite license or permit as provided in this chapter.

(k) Employment of certain persons prohibited.—It is unlawful for a licensed entity to employ, offer to employ or continue to employ in a position the duties of which require a license or permit under the provisions of this chapter:

(1) an individual not licensed or permitted under the provisions of this chapter; or

(2) an individual who is prohibited from accepting employment from a licensee.

(l) Board-imposed sanctions.—

(1) In addition to any other penalty authorized by law, the board may impose without limitation the following sanctions upon any licensee or permittee:

(i) Revoke the license or permit of any person convicted of a criminal offense under this chapter or regulations promulgated under this chapter or committing any other offense or violation of this chapter or applicable law which would otherwise disqualify such person from holding the license or permit.

(ii) Revoke the license or permit of any person determined to have violated a provision of this chapter or regulations promulgated under this chapter which would otherwise disqualify such person from holding the license or permit.

(iii) Revoke the license or permit of any person for willfully and knowingly violating an order of the board directed to such person.

(iv) Suspend the license or permit of any person, pending the outcome of a hearing in any case in which license or permit revocation could result.

(v) Suspend the license of any slot machine licensee for violation of any provisions of this chapter or regulations promulgated hereunder relating to its slot machine operations, including, internal and accountancy controls and security.

(vi) Assess administrative penalties as necessary to punish misconduct and to deter future violations.

(vii) Order restitution of any moneys or property unlawfully obtained or retained by a licensee or permittee.

(viii) Enter cease and desist orders which specify the

conduct which is to be discontinued, altered or implemented by the licensee or permittee.

(ix) Issue letters of reprimand or censure, which letters shall be made a permanent part of the file of each licensee or permittee so sanctioned.

(2) If the board refuses to issue or renew a license or permit, suspends or revokes a license or permit, assesses civil penalties, orders restitution, enters a cease and desist order, or issues a letter of reprimand or censure, it shall provide the applicant or licensee or permittee with written notification of its decision, including a statement of the reasons for its decision by certified mail within five business days of the decision. Any applicant or licensee or permittee who has received notice of a refusal, suspension or revocation of a license or permit, the assessment of civil penalties, an order of restitution, the entrance of a cease and desist order, or the issuance of a letter of reprimand or censure from the board shall have the right to an administrative hearing before the board in accordance with 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action).

(m) Criminal penalties.—

(1) Except as set forth in paragraphs (2) and (3) and subsection (n), a person that violates this section commits a misdemeanor of the first degree and shall, upon a first conviction, be sentenced to pay a fine of:

(i) not less than \$25,000 if the person is an individual;

(ii) not less than \$100,000 if the person is a slot machine licensee or licensed corporation; or

(iii) not less than \$50,000 if the person is a licensed manufacturer or supplier.

(2) Except as set forth in paragraph (3), a person that violates subsection (a) commits an offense to be graded in accordance with section 4902, 4903 or 4904, as applicable, for a first conviction and shall, upon conviction, be sentenced to pay a fine of:

(i) not less than \$25,000 if the person is an individual; or

(ii) not less than \$100,000 if the person is a slot machine licensee or licensed corporation.

(3) Except as set forth in subsection (n), a person that is convicted of a second or subsequent violation of this section commits a felony of the second degree and shall be sentenced to pay a fine of:

(i) not less than \$50,000 if the person is an individual or licensed supplier;

(ii) not less than \$200,000 if the person is a slot machine licensee or licensed corporation; or

(iii) not less than \$100,000 if the person is a licensed manufacturer.

(n) Administrative penalty.—If a person violates subsection (b), the board shall impose an administrative penalty of three times the amount of the license fee, tax or other assessment evaded and not paid, collected or paid over. This subsection is subject to 2 Pa.C.S. Ch. 5 Subch. A and Ch. 7 Subch. A.

§ 9213.1. Slot machine terminal proceeds.

The gross terminal revenue of a slot machine licensee shall be remitted daily to the department through the electronic transfer of funds. Each slot machine licensee shall provide the department with all information and bank authorizations required to facilitate the timely transfer of moneys to the department. Slot machine licensees shall provide the department within 30 days advance notice of any proposed account changes in order to assure the uninterrupted electronic transfer of funds.

§ 9213.2. Gross terminal revenue deduction.

From the gross terminal revenue remitted by the licensee to the department, the department shall deduct an amount sufficient to reimburse the department for the actual costs and expenses incurred in administering this chapter at the licensed venue based on a schedule determined by the department.

§ 9214. Net slot machine revenue distribution and establishment of State Gaming Fund.

(a) Fund established.—There is hereby established the State Gaming Fund within the State Treasury.

(b) Slot machine tax.—Slot machine licensees shall pay a tax of

34% of the gross terminal revenue from slot machine terminals after deduction of the amounts described in section 9213.2 (relating to gross terminal revenue deduction).

(c) State Gaming Fund.—The department shall:

(1) Transfer the slot machine tax imposed in subsection (b), and 100% of the license fees imposed under section 9206.1 (relating to slot machine license fee) to the State Gaming Fund.

(2) Distribute 1% of the gross terminal revenue among the municipalities hosting a racetrack at which slot machines are located on a pro rata basis determined by the percentage of contribution to the fund of a slot machine licensee located in the municipality. If the racetrack is located in two or more municipalities, the amount available shall be distributed on a pro rata basis determined by the percentage of acreage located in each municipality to the total acreage of all municipalities occupied by the racetrack. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area, for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics, immediately prior to the date the adjustment is due to take effect. Any remaining moneys shall be deposited in the segregated account established pursuant to paragraph (3). Nothing in this subsection shall prevent municipalities from entering into intergovernmental cooperative agreements with other jurisdictions for sharing these moneys.

(3) Transfer 1% of the gross terminal revenue to the Department of Community and Economic Development to be placed in a restricted account to exclusively provide grants to municipalities that host a racetrack and municipalities contiguous with the municipality or municipalities hosting the racetrack for purpose of funding infrastructure improvements and public safety expenses associated with the racetrack and slot machine operations. Moneys from this account shall not lapse and shall be dedicated only to the purposes provided for in this paragraph.

(d) Balance of funds.—There shall be established a restricted account for each licensee within the fund. The balance of gross revenues arising from the operation of the slot machines of each licensee shall be placed in such restricted accounts, and the balance of funds in each restricted account shall be immediately transmitted to the respective licensees. In the event circumstances beyond the control of the department prevent the immediate transmittal of the balance of funds in each restricted account, the transmittal may be delayed by the department for a period not to exceed 24 hours from the placement of the funds in each restricted account. Any delay beyond 24 hours shall be subjected to the payment of interest of 1% on the balance of funds due to whom the balance of funds is due. The department shall promulgate regulations regarding the timing and method of receipt and remittance of the balance of funds.

(e) Net terminal revenues.—The net terminal revenues arising from the operation of the slot machines of the licensee shall be remitted back to the licensee and distributed in accordance with section 9215 (relating to distributions from owners' revenue receipts).

(f) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Net terminal revenue." The net amount of the gross terminal revenue less the tax imposed by section 9214 (relating to net slot machine revenue distribution and establishment of State Gaming Fund). § 9214.1. Responsibility and authority of department.

(a) General rule.—The department is authorized to administer and collect the taxes imposed under this chapter and promulgate and enforce rules and regulations in accordance with this chapter, including the collection of taxes, penalties and interest imposed by this chapter as supplemented by the rules of the board.

(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping

to be employed, and through its representative shall, at all times, have power of access to, and examination and audit of any equipment and records relating to all aspects of the operation of slot machines under this chapter.

(c) Procedure.—For purposes of implementing this chapter, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 9205(b)(9) (relating to board's powers).

§ 9214.2. Liens and suits for taxes.

The provisions of this chapter shall be subject to the provisions of sections 242 and 243 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

§ 9214.3. Applicants to provide certain tax information.

The provisions of section 477 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall apply to all applicants for the grant, renewal or transfer of any license or permit issued by the board under this chapter.

§ 9215. Distributions from owners' revenue receipts.

The balance of the revenues remitted back to the slot machine licensees shall be distributed in the following manner:

(1) An amount not less than \$5,000,000 over a five-year period, and an amount not less than \$250,000 no more than \$1,000,000 per year for five years thereafter, shall be deposited into a restricted account and used for improvement and maintenance to the backside area and related buildings and structures at the racetrack at which the licensee operates. The licensed corporation's designee and the racetrack's recognized horsemen's group's designee at each racetrack shall jointly consider the appropriate amount of the funds and how the money shall be spent at the racetrack. Disputes involving the amount and expenditure of funds under this subsection shall be resolved by the State Horse Racing Commission and the State Harness Racing Commission who shall oversee the use of these funds.

(2) An amount equal to 28.125% of the net terminal revenue shall be distributed as follows:

(i) Eighty percent to be deposited into the horsemen's account and be combined with the revenues in this account from existing purse agreements to fund purses for live races per those agreements with the advice and consent of the horsemen.

(ii) From licensees that operate at thoroughbred tracks, 16% to be deposited into the Pennsylvania Breeding Fund as defined in section 223 of the Race Horse Industry Reform Act; or from licensees that operate at standardbred tracks, 8% to be deposited in the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act and 8% to be deposited into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Fund. The State Harness Racing Commission shall, in consultation with the Secretary of Agriculture by rule or by regulation, adopt a standardbred breeders program which will include the administration of a Pennsylvania Stallion Award, Pennsylvania Bred Award and a Pennsylvania Sired and Bred Award.

(iii) Four percent to be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed corporation operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization. Of this amount, \$250,000 shall be paid annually to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed corporation operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization.

§ 9215.1. Transfers from State Gaming Fund.

(a) Transfer for board operation and compulsive problem gambling treatment.—Each year an amount sufficient to fund all of the annual operations of the board shall be appropriated by the General Assembly from the State Gaming Fund to the board. In addition, the sum of

\$1,500,000 per year shall be transferred into the Compulsive Problem Gambling Treatment Fund to be annually appropriated by the General Assembly as described in section 9216 (relating to compulsive and problem gambling program).

(b) Transfer for Volunteer Fire Company Grant Program.—Annually, the sum of \$25,000,000 shall be transferred from the State Gaming Fund for the operation of a Volunteer Fire Company Grant Program to be established by law.

(c) Transfer to Property Tax Relief Trust Fund.—Monthly, the State Treasurer shall transfer the remaining balance in the State Gaming Fund which is not allocated in subsections (a) and (b) to a restricted account in the State Treasury to be known as the Property Tax Relief Trust Fund which is hereby established.

§ 9215.2. No eminent domain authority.

Neither the Commonwealth, any political subdivision thereof, nor any other governmental body in the Commonwealth shall have the right to acquire, with or without compensation, through the power of eminent domain, any property, easement or land use right for the siting or construction of a gaming and racetrack facility.

§ 9215.3. Local zoning authority.

Notwithstanding any other provision of this chapter to the contrary, nothing in this chapter shall be construed to supersede or otherwise nullify any local zoning ordinance as applied to newly licensed corporations or a predecessor owner of the newly licensed racetrack that has not conducted live horse races for at least two years immediately preceding the effective date of this chapter.

§ 9215.4. Neighboring church, school or residence setback.

The board shall not issue a slot machine license for any racetrack facility proposed to be located within a city of the first class that is 13,000 feet from any church, school or residential neighborhood. This prohibition shall not apply to any racetrack facility at which live horse races have been conducted for no less than two years immediately preceding the effective date of this chapter.

§ 9215.5. Athletic event gaming.

(a) Prohibition.—Nothing in this chapter shall be construed to permit the receiving, recording or the registering of bets or wagers or selling pools which may involve any professional or amateur athletic event. The board shall adopt regulations intended to prohibit any person or immediate family member with a financial stake in any professional sports franchise from being employed, directly or indirectly, or having a financial stake in any licensed entity. Nothing in this section shall be construed to prohibit staging or conducting athletic events at licensed racetracks.

(b) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Financial stake." Owning or holding stock exceeding 2% of the equity at fair market value of the licensed entity or professional sports franchise, its holding company, subsidiary or affiliated business. A financial interest shall not include any such stock that is inherited and held in a blind trust over which the person or immediate family member thereof may not exercise any managerial control during the time in which the person has a financial interest in a professional sports franchise.

"Immediate family." A parent, spouse, child, brother, sister or spouse's children.

"Professional sports franchise." An entity or entities which present sporting events and/or derive revenue therefrom in which participants are compensated for their services whether in cash, securities or otherwise that have annual revenue from all sources that exceeds \$10,000,000.

§ 9216. Compulsive and problem gambling program.

(a) Establishment of program.—The Department of Health shall develop program guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling. The program shall include:

(1) Maintenance of a compulsive gamblers assistance organization's toll-free problem gambling telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling.

(2) The promotion of public awareness regarding the

recognition and prevention of problem or compulsive gambling.

(3) Facilitation, through in-service training and other means, of the availability of effective assistance programs for problem and compulsive gamblers and family members affected by problem and compulsive gambling.

(4) Conducting studies to identify adults and juveniles in this Commonwealth who are or are at risk of becoming problem or compulsive gamblers.

(5) Providing grants to and contracting with organizations who provide services as set forth in this section.

(b) Compulsive and Problem Gambling Treatment Fund.—There is hereby established in the State Treasury a special account to be known as the Compulsive and Problem Gambling Treatment Fund. All moneys in the fund shall be expended for programs for the prevention and treatment of gambling addiction and other emotional and behavior problems associated with or related to gambling and for the administration of the compulsive and problem gambling program. The fund shall consist of moneys annually allocated to it from the annual payment established under section 9205(b)(10) (relating to board's powers), moneys which may be appropriated by the General Assembly, interest earnings on moneys in the fund and any other contributions, payments or deposits which may be made to the fund.

(c) Notice of availability of assistance.—

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post signs similar to the following statement:

If you or someone you know has a gambling problem, help is available. Call (toll-free telephone number).

The signs must be posted within 50 feet of each entrance and exit and within 50 feet of each credit location within the facility.

(2) Each pari-mutuel facility where slot machines are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

If you or someone you know has a gambling problem, help is available. Call (toll-free telephone number).

(3) A pari-mutuel racing facility which fails to post or print the warning sign in accordance with paragraph (1) or (2) shall be assessed a fine of \$1,000 a day for each day such sign is not posted or printed as provided in this subsection.

§ 9217. Declaration of exemption from Federal laws prohibiting slot machines.

(a) Declaration.—Pursuant to the Gambling Devices Transportation Act of 1951 (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth declares that it is exempt from section 2 of that act.

(b) Legal shipments.—All shipments of slot machines into this Commonwealth, the registering, recording and labeling of which has been effected by the supplier of those devices, in accordance with sections 5 and 7 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. §§ 1175 and 1177), shall be deemed legal shipments of slot machines into this Commonwealth.

§ 9218. Enforcement.

(a) Powers and duties.—The Pennsylvania Gaming Control Board and the Pennsylvania State Police shall be responsible for the enforcement of this chapter and regulations promulgated under this chapter. The Pennsylvania State Police and civilian officers and investigators assigned by the board shall cooperate and work in conjunction with each other and shall have the following powers and duties:

(1) Promptly investigate all license and permit holders as directed by the board.

(2) Enforce the provisions of this chapter and regulations promulgated under this chapter.

(3) Initiate proceedings for administrative violations of this chapter or regulations promulgated under this chapter.

(4) Provide the board with all information necessary for all action under this chapter and for all proceedings involving enforcement of the provisions of this chapter or regulations promulgated under this chapter.

(5) Investigate the circumstances surrounding any act or transaction for which board approval is required.

(6) Conduct administrative inspections on the premises of a

licensed racetrack or nonprimary location to ensure compliance with this chapter and the regulations of the board and, in the course of inspections, review and make copies of all documents and records required by the inspection, through on-site observation and other reasonable means to assure compliance with this chapter and regulations promulgated under this chapter.

(7) Receive and take appropriate action on any referral from the board relating to any evidence of a violation.

(8) Conduct audits of slot machine operations at such times, under such circumstances and to such extent as the board determines. This paragraph includes reviews of accounting, administrative and financial records, and management control systems, procedures and records utilized by a slot machine licensee.

(9) Request and receive information, materials and other data from any licensee, permittee or applicant.

(10) Refer for investigation all possible criminal violations to the Pennsylvania State Police and cooperate fully in the investigation and prosecution of a criminal violation arising under this chapter.

(b) Cooperation by licensees, permittees and applicants.—Each licensee, permittee or applicant for a license or permit under this chapter shall cooperate with the board and the Pennsylvania State Police in the performance of its duties.

(c) Inspection, seizure and warrants.—

(1) The board, its employees and agents and the Pennsylvania State Police shall have the authority, without notice and without warrant, to do all of the following:

(i) Inspect and examine all premises where slot machine operations are conducted, gaming devices or equipment are manufactured, sold, distributed or serviced or records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).

(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.

(iv) Inspect, examine and audit all books, records and documents pertaining to a slot machine licensee's operation.

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, counting room or its equipment or slot machine operations.

(vi) Inspect a licensee's or permittee's person and personal effects present in a slot machine facility licensed under this chapter while that licensee or permittee is present in a licensed slot machine facility.

(2) The provisions of paragraph (1) shall not be deemed to limit warrantless inspections except in accordance with constitutional requirements.

(3) To effectuate further the purposes of this chapter, the board, its employees and agents and the Pennsylvania State Police may obtain administrative warrants for the inspection and seizure of property possessed, controlled, bailed or otherwise held by any applicant, licensee, permittee, intermediary company or holding company.

(4) The board is authorized to make administrative inspections to check for compliance by any applicant, licensee, permittee, intermediary company or holding company with the provisions of this chapter or regulations promulgated under this chapter and to investigate any violations of this chapter and the regulations promulgated under this chapter.

(5) This subsection shall not be construed to prevent entries and administrative inspections, including seizures of property, without a warrant in the following circumstances:

(i) With the consent of the owner, operator or agent in charge of the controlled premises.

(ii) In situations presenting imminent danger to health or safety.

(iii) In situations involving inspection of conveyances if there is reasonable cause to believe that the mobility of the conveyance makes it impractical to obtain a warrant.

(iv) In any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking.

(v) In accordance with the provisions of this chapter.

(vi) In all other situations where a warrant is not constitutionally required.

(d) Criminal investigations and prosecutions.—The Pennsylvania State Police shall in addition to those other duties otherwise provided perform the following functions in carrying out the provisions of this chapter:

(1) Exchange fingerprint data with and receive national criminal history record information from the Federal Bureau of Investigation for use in investigating applications for any license or permit under this chapter.

(2) Require production of any information, materials, and other data from any applicant or holder of a license or permit, related to an ongoing investigation.

(3) Provide the board with information necessary to carry out its duty to issue licenses and permits under this chapter.

(4) Upon probable cause, institute criminal proceedings against a person believed to have been criminally liable.

(5) Arrest, in accordance with law, a person actually engaged in a criminal violation of this chapter on the premises of a licensed racetrack.

(e) Concurrent jurisdiction to prosecute.—In addition to the authority conferred upon the Attorney General by the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the Attorney General shall have the authority to prosecute a criminal violation of this chapter or a series of violations occurring in more than one county or in another state.

§ 9218.1. Automated teller machines.

The board shall promulgate rules and regulations governing the placement of automated teller machines (ATMs) and the fees or charges assessed on transactions through ATMs. No slot machine licensee may own or lease any ATM located within any area of the racetrack facility, except for those ATMs owned and operating within the grandstand or pari-mutuel wagering areas on the effective date of this chapter provided they are not moved outside of the grandstand or pari-mutuel wagering area.

§ 9218.2. Native American gaming.

(a) General rule.—Any compact involving Indian gaming between the Commonwealth and an Indian tribe shall be governed by acts of the General Assembly. Under no circumstances shall the Commonwealth have relations with any Indian tribe except in accordance with this section.

(b) Requirement.—If the Secretary of the Interior of the United States is holding lands located within this Commonwealth in trust for the benefit of an Indian tribe which has established relations with the Commonwealth in accordance with this section, the Commonwealth may attempt, to the extent permitted or required by Federal law, to negotiate a gaming compact or agreement with the Indian tribe regarding all or any of the following:

(1) Health, safety and environmental concerns on or near the lands being held.

(2) Police and fire protection on or near the lands being held.

(3) Water and mineral rights on or near the lands being held.

(4) Transportation and access on or near the lands being held.

(5) The applicability of State civil and criminal laws occurring on or near the lands being held.

(6) Tax and financial issues.

(7) Any other subject or activity which the Commonwealth is permitted or required to negotiate under Federal law.

(c) Negotiations.—No person shall negotiate a gaming compact or agreement on behalf of the Commonwealth with an Indian tribe unless the person has been authorized by a concurrent resolution of the General Assembly to negotiate the compact or agreement.

(d) Effectiveness of compact.—Prior to the effectiveness of any compact executed by a person authorized under subsection (c), the following shall be required:

(1) Any person authorized pursuant to subsection (c) to negotiate a gaming compact on behalf of the Commonwealth shall conduct public hearings on the appropriateness of entering into the compact. The hearings shall occur at least 60 days in advance of any submission to the General Assembly and shall specifically examine the potential scope and impact of any gaming proposal on

State and local government as well as the citizens and property owners of this Commonwealth. A summary report of all findings made at a hearing shall be submitted with the proposed compact to the General Assembly before consideration.

(2) The gaming compact shall be submitted to the General Assembly for approval or rejection.

(3) If approved by the General Assembly, the gaming compact shall be submitted to the Governor.

(e) Definition.—As used in this section, the term "Indian tribe" means any Indian tribe, band, nation or other organized group or community of Indians which is recognized as eligible by the Secretary of the Interior of the United States for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self-government. § 9218.3. Manufacturer market share.

No slot machine licensee shall permit more than 75% of the slot machines produced or manufactured from the same manufacturer to be placed into play at the licensee's facility at any time.

§ 9218.4. Liquor licenses at racetracks.

(a) Reapplication.—Nothing in this chapter shall require an entity already licensed to sell liquor or malt or brewed beverages to reapply for the license, except in the manner set forth in the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

(b) License extension.—Notwithstanding any other provision of law, an entity holding a slot machine license which is also licensed to sell liquor or malt or brewed beverages pursuant to the Liquor Code shall be permitted to apply to the Pennsylvania Liquor Control Board to extend the licensed premises under the liquor license to encompass the entire racetrack property. The following shall apply:

(1) To obtain approval of a license extension, an application for extension of license describing the additional premises shall be filed with the Pennsylvania Liquor Control Board on a form authorized by the Pennsylvania Liquor Control Board.

(2) The fee required by Pennsylvania Liquor Control Board regulations shall accompany an application to the Pennsylvania Liquor Control Board for extension of license. The application shall not be subject to any physical inspection or posting requirements.

(3) The applicant shall not be required to obtain approval from the municipality in which the license is issued.

(4) Absent good cause shown consistent with the purposes of this chapter, and notwithstanding any provision of the Liquor Code or the regulations under the Liquor Code to the contrary, the Pennsylvania Liquor Control Board shall approve an application for extension of license filed by an entity which also holds a slot machine license within 30 days.

(5) An entity holding a slot machine license which is also licensed to sell liquor or malt or brewed beverages pursuant to the Liquor Code shall be exempt from 40 Pa. Code § 7.21(d) (relating to inclusion of additional premises).

(c) Nonlicensees.—Notwithstanding any other provision of law, an entity holding a slot machine license which is not licensed to sell liquor or malt or brewed beverages shall be entitled to apply to the Pennsylvania Liquor Control Board for a license. The following shall apply:

(1) An application for a license to sell liquor or malt or brewed beverages submitted by an applicant holding a slot machine license shall be exempt from any restrictions in the Liquor Code on the number of such licenses permitted in a municipality.

(2) An application for a license to sell liquor or malt or brewed beverages submitted by an applicant holding a slot machine license shall be exempt from any restrictions in the Liquor Code on the construction of facilities on the licensed premises prior to licensure.

(3) The licensed premises for an application for a license to sell liquor or malt or brewed beverages submitted by an applicant holding a slot machine license shall be deemed to encompass the entire racetrack property.

(4) Absent good cause shown consistent with the purposes of this chapter, and notwithstanding any provision of the Liquor Code or the regulations under the Liquor Code to the contrary, the Pennsylvania Liquor Control Board shall approve an application

for the license filed by an entity which also holds a slot machine license within 30 days.

(d) Inclusion of racetrack property.—Notwithstanding any other provision of law, property licensed under a slot machine license which is also licensed to sell liquor or malt or brewed beverages pursuant to the Liquor Code may allow persons to transport liquor or malt or brewed beverages from the portions of the property licensed under the liquor license to the unlicensed portion of the property, so long as the liquor or malt or brewed beverages remain on the racetrack property.

Section 3. The sum of \$5,000,000 is hereby appropriated to the Pennsylvania Gaming Control Board for the fiscal year July 1, 2003, to June 30, 2004, to implement and administer the provisions of 18 Pa.C.S. Ch. 92. The money appropriated in this section shall be considered a loan from the General Fund and shall be repaid to the General Fund from the State Gaming Fund by June 30, 2004.

Section 4. The provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

Section 5. (a) The provisions of 18 Pa.C.S. § 5513(a) are repealed insofar as they are inconsistent with the addition of 18 Pa.C.S. Ch. 92.

(b) All other acts and parts of acts are repealed insofar as they are inconsistent with the addition of 18 Pa.C.S. Ch. 92.

Section 6. This act shall take effect as follows:

(1) The amendment of 18 Pa.C.S. § 4107(a) shall take effect in 60 days.

(2) This section shall take effect immediately.

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

On the question,

Will the Senate agree to the amendment?

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, this amendment allows for slot machines at racetracks, an issue that I fought for since 1996. Ever since the advent of slot machines at Delaware Park, it has hurt the racetrack that is in my district. I happen to have Philadelphia Park in Bensalem in my district, and it is a great employer. It employs 1,000 people and pays a million dollars in property taxes and has been a good corporate neighbor. When Delaware instituted slot machines at the racetrack, they hurt that business tremendously, and I have been working for years on that.

I want to say today that the amendment that I put forward is an amendment that Senator Fumo, Senator Mellow, and I have worked very, very hard on, and I think we have come to some great compromised language in that bill. I think we have a very tough bill, a very good bill, a bill that makes sure that this is a clean operation, that good people are involved in it. It is also a bill that I think is very, very important for us at this time of year. This bill has provisions in it. Over 90 percent of the revenue of this bill will go to property tax reduction, 36 percent of this bill goes to the State, of that 36 percent, 34 percent will go into property tax reduction, 18 percent will go into horses, purses for horsemen, breeders' funds, and a pension fund for the horsemen. Out of that, 46 percent will go to the owner, with which he will be able to invest, build, hire, purchase the slot machines, and run his business. Right off the top, we maintained a provision in here that puts \$25 million in for our volunteer fire companies. Of that 36 percent, 1 percent will go to the local community and another 1 percent will go to the commission so that it can be distributed

to that local community or contiguous communities that might be impacted by this racetrack.

I think this is a very balanced bill, and I think it leaves enough money in there for the owner so that he can do the economic development. It will create a lot of jobs for carpenters, plumbers, and operating engineers to build these facilities, and it also leaves enough money to hire additional people. The Penn State survey said it will probably create another 18,000 jobs in Pennsylvania if we implement this bill. I think this is so balanced that we have given enough to the State, we have given enough to the locals, we have given enough to the owners that this will be successful. I think it is good for Pennsylvania. We also put in here a \$50 million upfront fee that will be paid by these licensees. It allows for 3,000 slot machines for tracks, a minimum of 1,500 to start out with, but up to 3,000, and if the market allows, they can have up to 5,000 machines. I think this is a very comprehensive bill. I think I have worked very, very hard with the other side with our legal counsel, our staff. I think we have done a wonderful job. We have gone back and forth on many issues on this, but I think we provided some very strong safeguards in this bill to make sure that this is a good clean operation, that the right kind of people are involved in this and nothing goes wrong in this industry.

In my district I did a survey last year, and 80 percent of the people in my district wanted this bill. Right now, 7 out of 10 people in Pennsylvania say they want slot machines at racetracks. Seventy percent of the citizens in this State want to see slot machines at racetracks. This is money, Madam President, that is leaving this State. Right now between \$3 billion and \$4 billion a year leave this State. Millions and millions of Pennsylvanians go to Atlantic City, Delaware, West Virginia, to gamble. They are gambling. I am just trying to recognize the obvious. I am just trying to gain and keep some of that revenue in this State so that we can put that into property tax reduction and do some good things for this State.

Madam President, I thank you for this opportunity, and I ask for an affirmative vote on this amendment.

And the question recurring,
Will the Senate agree to the amendment?

FUMO AMENDMENT A2413 TO A2402

Senator FUMO offered the following amendment No. A2413 to A2402:

Amend Amendments, page 8, lines 51 and 52, by striking out "The members shall be paid an annual salary of \$150,000." and inserting: The Executive Board shall establish the compensation of the members appointed pursuant to this section.

Amend Amendments, page 10, line 59, by striking out ", salary"

On the question,
Will the Senate agree to amendment A2413 to amendment A2402?

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, this changes language in the Tomlinson amendment that had originally set a salary for the

members of the board at \$150,000 each. It now leaves it up to the discretion of the executive board.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, this is an amendment that I do agree to. It is an amendment that we had talked about and an amendment that I think we should be putting in the bill.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I apologize. I thought the Majority Leader had agreed to it. I forgot that this was going to be inch by inch.

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, will the gentleman stand for interrogation?

Senator FUMO. Madam President, absolutely.

Senator BRIGHTBILL. Madam President, does that mean that the salary could be higher than \$150,000 a year?

Senator FUMO. Madam President, I assume it could be higher or it could be lower. I do not know.

Senator BRIGHTBILL. Madam President, I thank the gentleman. I would ask for a negative vote.

LEGISLATIVE LEAVE

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I request a temporary Capitol leave for Senator Anthony Williams, who has been called to his office.

The PRESIDENT. Senator Fumo requests a temporary Capitol leave for Senator Anthony Williams. Without objection, the leave will be granted.

And the question recurring,
Will the Senate agree to amendment A2413 to amendment A2402?

The yeas and nays were required by Senator FUMO and were as follows, viz:

YEA-25

Boscola	Kasunic	O'Pake	Wagner
Conti	Kitchen	Schwartz	Williams, Anthony H.
Costa	Kukovich	Stack	Williams, Constance
Earl	LaValle	Stout	Wozniak
Ferlo	Logan	Tartaglione	
Fumo	Mellow	Thompson	
Hughes	Musto	Tomlinson	

NAY-24

Armstrong	Helfrick	Piccola	Scarnati
Brightbill	Jubelirer	Pileggi	Waugh
Corman	Lemmond	Punt	Wenger
Dent	Madigan	Rafferty	White, Donald
Erickson	Mowery	Rhoades	White, Mary Jo
Greenleaf	Orie	Robbins	Wonderling

A majority of the Senators having voted "aye," the question was determined in the affirmative.

On the question,
Will the Senate agree to amendment A2402, as amended?

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I apologize for the controversy. I thought this was going to be agreed to.

On the amendment, Madam President, I want to thank the staff who worked on this, Fran Cleaver and Steve MacNett from the Republican side, Chris Craig and Mark McKillop, I do not know if I got that right or not, and C.J. on our staff. It has been a long and arduous negotiating situation. As my friend Senator Armstrong said, draft after draft after draft. I could not begin to tell them which one was right because I lost count myself. But let me also add a few highlights and make you aware of a few highlights in this amendment.

For the first time anywhere in the United States, there is an upfront, substantial fee for a license. It is \$50 million. That will immediately bring into the Commonwealth, at least at this point in time, \$300 million and probably \$400 million to be used for property tax relief. In addition, nowhere else in the country but in Pennsylvania will there be substantial supplier and manufacturer licensing fees. That is another precedent that we have set that the rest of the nation is sure to follow. Strict campaign contribution prohibitions, and in addition to that, something that we adopted from the latest Sarbanes-Oxley Act in Washington as it pertains to public companies, the CEO of every one of these operations is going to have to file a notarized statement that in fact they have a policy against that, in fact they have looked into it, and in fact no one has made such contributions. In addition, there is a substantial amount of money going to the horsemen, the breeders, the farmers of Pennsylvania. Nowhere else are the percentages this high, and I know that because I have listened to every track owner cry to me for weeks, but I did not listen to their cries. Also, you cannot transfer a license unless another \$50 million is paid, and any transfer of 20 percent or more triggers the transfer of that license and another \$50 million will be paid to the Commonwealth. The thing that drove our negotiations was two main things: maximize return to the Commonwealth, and in addition to that, make sure that there are strong provisions in here for enforcement. We adapted the New Jersey standards, which are the toughest in the nation when it comes to licensure. They deal with character, they deal with financial responsibility. We also protected local communities by making sure that local zoning ordinances would apply and not be superceded by this language. We also made it clear that local governments could not use eminent domain in order to assist any new track or old track from expansion of its properties. And we made it very clear that this legislature would be involved in any Indian gaming activities that are proposed or attempted to be put forth in Pennsylvania.

Madam President, this amendment, and ultimately this bill, is in and of itself an economic stimulus package. There will be construction throughout Pennsylvania, good paying jobs in construction. There will be many more jobs in this industry,

servicing machines, cashiers, all the other ancillary services. At least 15,000 jobs will be created by this amendment and by this legislation, and not hamburger flipper jobs, good jobs that will help out our economy. And for people who are worried about the problem of gambling, there are provisions in here for Gamblers Anonymous. But more importantly, and I admit, I am an advocate of gambling in Pennsylvania and have been since Atlantic City started. It was one thing when gambling was isolated to Las Vegas and you could not get there, it was another thing when Atlantic City opened up, and now Delaware, West Virginia, all around us. It is not that we are shielding our people anymore from the evils of gambling. In fact, all we are doing is enhancing the economies of other States. In Atlantic City, statistics have shown that fully 50 percent of the handle, and that is the amount of money gambled, comes from Pennsylvania residents. They get on buses and go there. They drive there. It is no longer as if it were isolated.

For those of you who think you are going to protect people from the evils of gambling, it is not going to happen. If there is going to be gambling, if it is going to be next door, we might as well get our piece so that our people can have some tax relief, property tax relief. And this is one of those things where we always say there is no free lunch, this is a free lunch when it comes to property tax relief. As we said earlier today when we talked about Senate Bill No. 100, this will fund an awful lot of property tax relief and cut down the amount of shifting that would be necessary in order to save that property tax dollar.

This is what people want to do, and they do it because they are doing it. I do not know why, I do not gamble, but other people do. And if people are going to do that, we are foolish not to get our fair share of that action. We made sure that there are safeguards in here, we made sure that there are safeguards in here against organized crime, we made sure that people are going to be responsible, and we did maximize the amount of money upfront. There are substantial taxes, 36 percent of the handle is a very big number to go into the Commonwealth's treasury. It is not a small number, and I have heard the track owners argue to me about how in New Jersey it is a lot less.

So for all of those reasons, I urge an affirmative vote. And this, by the way, is a bipartisan move. It was not done in a vacuum by either party. We sat down, we negotiated, we argued. Senator Tomlinson and myself argued extensively, to the point that he called me one weekend on Father's Day and I told him not to call me anymore, have a good Father's Day, call me about fishing not gambling, because he is an expert fisherman. But after all of that, after all of that, we have come to a consensus that I think is going to be good for the Commonwealth and good for the economy.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Wenger.

Senator WENGER. Madam President. I rise to oppose the amendment before us. Over the past several years I have heard the argument of the potential dollars that Pennsylvania could possibly receive from the expansion of gambling. However, the potential revenues realized through the expansion of gambling could very easily be offset by the social ills that it could produce. As we travel throughout the Commonwealth, we have seen

communities, whether they be in the cities, in the suburbs, or out in rural areas, that have deteriorated because of the breakdown of the family, because of the proliferation of substance abuse, and other social ills, and, yes, including compulsive gambling. The question to ask tonight is, I believe, is it not appropriate that we fund our public priorities with proceeds from a practice that is known to produce addiction? When I consider studies, such as the National Gambling Impact Study Commission's final report, in addition to the many comments I have received from my constituents throughout the 36th Senatorial District who have had their lives negatively impacted by gambling, I am convinced that there must be a better way.

Far too often we seek easy solutions to difficult problems. I believe that this is one of those instances. The results of a decision to expand gambling will have real and lasting effects for the people of Pennsylvania. Consider that problem gamblers typically borrow money to cover their losses, which they many times do not pay back, or that they are known to commit fraud with credit cards and insurance policies, to declare bankruptcy, cash bad checks, embezzle money at work, or commit other crimes. And according to the National Gambling Impact Study, the presence of a gambling facility within 50 miles roughly doubles the prevalence of problem and pathological gamblers.

The cost of this addiction is real. A 2001 analysis of eight prior research studies concluded that the average total yearly criminal justice cost for a pathological gambler was nearly \$4,000, and the average total social cost was over \$13,000 annually. Sadly, the same study noted that over 25 percent, and in some cases as high as 50 percent, of a casino's revenues come from the losses of problem and pathological gamblers. I fear that if we move in this direction, we could see the number of problem gamblers increased dramatically in the future. I am convinced that we do not need to turn to this vice to meet the challenges we face. As we look to vote on this amendment today, please remember that not only are we voting on a possible expansion of gambling, but we are voting on the future of families who could be crippled because of this potential addiction. I suggest a negative vote on this amendment.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, I rise to urge a "no" vote on this amendment. In the past, I cast a vote for slots at the racetracks because I thought at the time that it was about saving the racetracks. At the time, we were talking about six tracks and I believe 1,500 slots per track. I felt sorry for the racetracks. I heard that they were having competition from other States. I figured this was a pretty minimal expansion of gambling, and if it would save the jobs of the people at the tracks, perhaps it was worth it. This is not about saving the tracks. It is about raising significant amounts of revenue and making some people rich, because we are now talking about up to eight tracks and up to 5,000 slots per track. That is how much it has changed since the last time we voted on this.

Senator Fumo says he does not gamble. Well, I do not either, but I think a lot of rich people do not gamble because they do not need to. Poor people gamble. Poor people gamble because they want to be rich. This is a regressive tax, Madam President, and

it is bad public policy to fund essential services with gambling money. Once you start down that road, there is no stopping. There is an old Chinese proverb that says if you would ride a tiger, you had er have a plan for getting off. Well, we are about to get on the tiger, and I am here to tell you there is no plan for getting off. When gambling revenues start to go down and decline, as they inevitably do, we learned that from our Lottery, there is a saturation point, what do you do to make up that revenue once you are funding essential services with it? You either have to pump it up, increase it, or you have the very unappetizing task of raising taxes. We are politicians. Which choice do you think is going to be made here? I hope I am wrong, Madam President, but I fear I am not, and I think we are starting down a very bad path on a very dangerous tiger, and I ask for a "no" vote.

Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Lehigh, Senator Dent.

Senator DENT. Madam President, we are told that the issue tonight is slots at the racetracks. It is that in fact, but it is so much more. I submit that this issue has much less to do with horses than it does with casino gambling. A vote for this amendment is in fact a vote for casino gambling in Pennsylvania, period. Plain and simple. We can delude ourselves all we want that this is simply about slots at racetracks, but we know what is coming.

In the 1980s, we were told that off-track betting parlors were needed to save the horseracing industry. Throughout the 1990s and today, we are told that slot machines will save the horseracing industry. Should this slots proposal become law, I expect within a few years the gambling market will change, and guess what? We are going to be told that we are going to need sports betting, table games, and full-blown casinos in order to save the horseracing industry. Ladies and gentlemen, the proliferation of gambling is indeed a slippery slope, and we are now on it. This proposal represents terrible public policy for the Commonwealth of Pennsylvania. What is worse, it represents horrible economic policy. Wealth will not be created, but it will simply be redistributed in a most negative way. A few people become real rich, and a lot of people become poor or poorer: low income residents, the elderly, small businesses, and others. They will be the primary victims. We know that. And for far too many, misery, bankruptcy, divorce, suicide, theft, embezzlement, and other criminal activities will surely follow, despite our best efforts to stop it. This is not progress, and it is certainly not my idea of a new Pennsylvania, certainly not a better Pennsylvania. And we also know that for every dollar spent on gambling, there is a considerable social cost, depending on whom you believe, but for every dollar spent, there is at least \$2 in social costs, probably considerably more.

Let us return to casino gambling for a moment. Now, I live in a part of the State where some of the Native American Tribes, Indian Tribes, have made a claim. Two tribes of Delaware Indians, the Delaware Nation and the Delaware Tribe of Oklahoma, have rediscovered eastern Pennsylvania, Forks Township in Northampton County in particular, in the area we call Tatamy, named for a famous Indian Chief Tatamy. The two Delaware tribes want to establish a casino on the land of 25 homeowners, Binney & Smith, and several other commercial

properties. So who is Binney & Smith? Well, Binney & Smith is owned by the Hallmark Company that makes greeting cards, they are out of Kansas City. It is a wonderful company. They put on those TV shows on Sunday night. We have all watched them after we have overeaten on a Sunday with our family, we turn on the tube and we usually see some nice story about uplifting the human spirit, the Hallmark Hall of Fame series, which are nice.

But what they are best known for in my community, Binney & Smith, is they make Crayola Crayons. These crayons, we have them, our children play with them, and if we are not watching sometimes they eat them, but do not worry, they are nontoxic. What Crayola does in our community is wonderful. Binney & Smith represents perhaps one of the finest corporate citizens this State has to offer. They are actively involved in arts education in this Commonwealth, they have invested heavily in the city of Easton and created a wonderful tourist destination we call Two Rivers Landing. They have done all the right things. They create wealth, they employ people, and they are under threat. They are threatened. That is the bad news. The good news is Binney & Smith, Hallmark, Crayola, they have the ability to fight back, and they will if it comes to that, and we hope it does not. But what about those 25 homeowners and their families? What about them? How are they going to fight after they have had liens slapped against their homes? And if they change jobs and they need to move for some other reason, how are they going to be able to sell their homes? Who is going to help them?

So I guess the larger question is, why are the Delaware tribes here? Why are they now making these land claims in Tatamy? Why are we revisiting the Walking Purchase and the actions of the descendents of William Penn more than 200 years ago? Well, here is the answer. It is not my answer, this is the answer the Delawares themselves gave to us in a press release of May 14, 2003. It says, and I will quote, "The Delawares want to ensure that as the debate moves forward in the Legislature, it will include the issue of Indian gaming," said Bernard Kahraha, spokesman for the tribes." He went on further, quote, "If Pennsylvania is going to expand gaming, the Delawares want a seat at the table," closed quote. The Delawares want a seat at the table. They are here because we are a hot State. This is where the action is, and they want a seat at the table. So I say let us take away the table. Let us take it away tonight, and we can do that by voting "no" on this particular proposal.

You know, I could go on about this, but there is a familiar pattern to some of these land claims. They are typically backed by non-Indian developers who we know will be making millions of dollars, and that is what is going to happen. I have received various memos from the other side of the aisle and from other interested parties, interestingly enough from the same law firm in some cases, about Indian gambling, and it is all very interesting reading, but I do understand, however, that this is a very complex area of the law, particularly Federal law. And it is clear to me, and I think clear to many others, that if we vote "yes" tonight, we will make Pennsylvania a far more attractive place for the tribes to make claims. But I think we can stop it tonight, or at least slow it down by voting "no."

So again, for all the reasons that have been stated tonight by my colleagues, I, too, reject and urge my colleagues to vote "no" on this proposal.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Wonderling.

Senator WONDERLING. Madam President, I rise in opposition to the amendment and to elaborate on the remarks of my colleague from Lehigh County. The Delaware Indians' representative visited me several weeks ago to indicate to me their serious intent to seek gaming opportunities in my senatorial district. They were very clear in their intent, and if you look at how Indians have laid claim to land in other States in this country, they are very precise, that, A, they are serious, and, B, if not in Tatamy, they would seek gaming opportunities in some suitable alternative somewhere else in the Commonwealth of Pennsylvania. So I say to my colleagues here tonight on both sides of the aisle, I have an Indian problem in my district, very serious proposals to establish Indian gaming, but that is in my district today, it could well be in your district tomorrow.

Now, I am in opposition to the amendment for a whole lot of reasons, and I reviewed the language as it relates to perhaps some safeguards against Indian casino gaming. I do not think those safeguards are strong enough. I think Indian law is complex, and I am not quite entirely sure whether or not this body or the House or the General Assembly would have the tools necessary to stop what has already begun in my Senate district. Quite frankly, their claims to a territory in my Senate district have everything to do with the chief executive of this Commonwealth who has legitimized this notion of policy, has created a Commonwealth that is fertile territory for expanded gaming. There are several reasons why I am opposed to the amendment, but clearly the one, the one that is paramount in my mind is the fact that what we do tonight, what we do tonight will create opportunities for a whole range of folks, not just Indian casinos, but Vegas interests and others, to lay claim to territory, to economic opportunity, and to other social activities, not just in my Senate district but in your district as well.

So therefore, Madam President, I respectfully ask my colleagues not to support this amendment.

Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I would just like to ask for an affirmative vote on this, but I would like to thank my staff, Fran Cleaver, Jim Cawley, Vickie Wilken from Senator Conti's staff, Steve MacNett, many of the legal eagles who have helped us on this. I want to thank the people on the other side of the aisle, Chris Craig and C.J., Senator Tartaglione, and Senator Wagner for their support and help in helping craft this legislation, and a thank you to Senator Mellow and Senator Fumo. I know Senator Fumo and I went toe to toe a couple of times, and I think because of that, because of the interaction that we have had, I think we made a much better bill of this. With his interaction with our staff, I think we have come up with some very, very tough standards in this bill that will make sure this is a good bill and a clean bill.

But I would just like to address the question. From where I come from in the State of Pennsylvania, I am less than an hour from Atlantic City. I am in Bensalem. You can be in Atlantic City in less than an hour, no traffic lights, and also you can be in

Delaware Park. People are gambling. Millions and millions of people leave every year to spend billions and billions of dollars. It is not a matter of whether the people of Pennsylvania are gambling. People in Pennsylvania have decided they are gambling. I would just like to keep some of that money on this side of the river, on this side of the border. It is the same situation out in Allegheny County; people are just running to West Virginia. These people decided to spend their money. I would just like to have that money, recirculate that, put that back into property tax reform, put that back to benefit the people of the State, because, you know what, no matter what we do here tonight, these people are going to gamble. People are going to do this.

I would like to recognize what I have seen year after year. Every morning when I go to get my cup of coffee, I watch five buses leave Street Road, right in my township, to go down to Atlantic City. People stop me on the street every day and ask me, when are we going to get that here in Pennsylvania? When are we going to get that here in Pennsylvania? I understand that there is a lot of passion on the other side of this issue, that we would like to tell people how to live their lives, and we think we can best justify how people spend their money and live their lives, but you know what, we live in the United States of America and people have free will and people have the right to cross borders and do what they want. I think it just makes a lot of sense to allow those people to do the activities that they are already doing and keep that money here in Pennsylvania.

Thank you very much for the cooperation I have had on this issue. I ask for an affirmative vote.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, I do have a few comments and a few questions for the maker of the amendment. Just to set the record straight, I was not meeting with Senator Fumo constantly on this. I did meet with him one time and we discussed this, and one of the things he brought up, and I give him a good mark for this, they put fees upfront. We held hearings and one of the things they talked about is there is a value here, folks. And guess what? We are giving this to multimillionaires and they are going to be multibillionaires, because this means huge dollars. So I must commend them as far as putting a fee upfront of \$50 million. But my question is why \$50 million? Why not \$40 million, why not \$60 million, why not \$28 million? What is the magic number? Why \$50 million?

The PRESIDENT. Will you respond, Senator Fumo?

Senator FUMO. Madam President, yes.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, the \$50 million was a number that we finally agreed to with the interested parties. I probably agree with the gentleman that it is too low. But, you know, as there is in every piece of legislation, there is compromise, and this was a number that was put in there, and I think it is a substantial number. Would I like to see it higher? Yes. But if we were not involved, it would not even be in there, so give us a little bit of credit.

Senator ARMSTRONG. Madam President, well, I do thank the gentleman for that. It is going to be \$200 million to \$400 million we have not had, but the thing is, it is worth so much more. I will give you a for instance. In Louisiana, there was a racetrack down there called Delta Downs. It is in the middle of nowhere. It is not at the end of the world, but you can see it from there, and it is 4 miles from Texas. They put in a track there and a gentleman bought it for \$10 million. He shepherded through the legislature a gambling bill which would allow slots. He did not put one slot machine in that facility, not one. He flipped it over for \$135 million to Boyd Gaming. He did not do a thing. That is for 1,500 machines in the middle of nowhere. That tells you what these things are worth. The only real way to find out is we should auction these things off and let the guys who are in the business, people who are pros at this, we could set the parameters, get some type of RFP out there and get qualified bidders and let them come in and give the real value of these. Heaven knows, we need the money.

Now, the only thing that bothers me about this is on page 15 of the amendment, section (d), line 25, it says, "Return of entire slot machine license fee.--In the event that any specific power or membership of the board established in section 9204 (relating to Pennsylvania Gaming Control Board established) is altered in any fashion whatsoever, or the number of persons eligible to apply for and receive a slot machine license is subsequently increased beyond the number permitted in section 9206 (relating to authorized slot machines licenses) at the time of the effective date of this chapter or other gambling license or permit subsequently authorized and issued, the entire one-time slot machine license fee of \$50,000,000 imposed by subsection (a) shall be returned to the licensee." I will tell you what, when you see words in the line like "any fashion whatsoever," the red flags pop up. These people have access to probably the best lawyers in the world. We are talking \$50 million. Anything happens, they are going to be back up here for their money. Also, it takes the power away from us. Oh, we cannot do anything, we cannot change the take from 36 to 37, or we cannot do anything whatsoever. We changed the board. Oh, you changed that, now, hey, we want our \$50 million back. I just feel that it is a carrot dangling out there, but I have a feeling they will take it right away from us.

Secondly, in the amendment, like in Atlantic City, I understand they had when you put a slot parlor up you had to have hotels, the quality of the establishment was such and such. I did not see that in here, maybe it is in here, but there is nothing in there about the quality of the establishment. How big is it going to be? Are there any other hotel facilities nearby? This could be a cinder block building with a roof and carpet. What is to stop it from being that? There is nothing in here about the size of the building.

The PRESIDENT. Will the gentleman respond to that question?

Senator FUMO. Madam President, I thought that my colleague, who is a very big believer in free enterprise and a very great conservative on these issues, would allow the free market to exercise itself. I would think if one operator put up a barn with a cement floor, even without the carpet and no air conditioning in the summer, he is not going to have many people there. I think

in the end what you will find, because this is a competitive industry, are very good places. I was a little bit reluctant to even allow these operators to have hotels because I lived through the Atlantic City experience, and the Atlantic City experience was originally done because they were afraid that there would not be any investment, and what they did was they forced them to build hotels, they forced them to put their casino operations in there, they forced them to put restaurants in there. Do you know what happened? Everybody else went out of business because now they had a captive person who never wanted to leave the casino. So one of the things we fought most vigorously against in this concept was that we did not want a person to be held hostage. That is why we forced them to make the operations contiguous to the racing facility.

You know, there are different ways of looking at this, and I can only look at my personal experience with Atlantic City. It put every restaurateur out of business, it put every hotel out of business, except for within the casinos, and we wanted to learn from that experience, not duplicate it. But I cannot believe, and I would be willing to bet that the people who are going to put these things up are not going to build concrete barns with cement floors. And guess what, the gentleman being a true believer of free enterprise would be amazed if that worked, and if it did, more power to them. Who am I to dictate the colors of the walls? And the gentleman knows he would be offended if we were up here trying to tell business what kind of carpeting they had to have in their hallways and what color to paint their buildings and to make sure that they looked pretty for the customers. The gentleman would be offended. I know he has taught me that on all those hunting expeditions.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, do not forget, this is not free enterprise as such, this is a monopoly, so it is a little bit different, and we should have a facility that is a certain size and a certain quality establishment.

I have a couple of other questions here. In the original bill, there was talk in there in the bill that 10 percent of the moneys would be going to the Department of Aging for PACE and PACENET. All of a sudden that disappeared. This will have an immediate, drastic impact on the Lottery proceeds. So do we just forget about it and say, well, forget about the Lottery? Why was that provision taken out, 10 percent of the proceeds for PACE and PACENET?

Senator FUMO. Madam President, because of the high interest and demand at this point in time for real estate property tax relief, all the money was dedicated to that fund. Also, we had concerns about the Lottery. We looked into it with the Department of Revenue. We do not feel that this is going to have an adverse effect on the Lottery, and in fact, due to some new techniques over there, I believe, during-the-day drawings and things of that nature, that for the first time the Lottery Fund is not in jeopardy. The Lottery Fund is very healthy right now, and we do not anticipate that this is going to infringe upon that. In fact, look, there is just so much money and we can do just so much with it. I imagine, and I was not here for that, although I was a young staffer in the administration when the Lottery was controversial, and people did not want the Lottery because

people were going to gamble on the Lottery, and now it is sacred to all of us because it provides aid to senior citizens. This, believe me in a few years, will be just as sacred in providing property tax relief to senior citizens and everybody else who are overburdened with high real estate taxes now. You can always divert it any way you want. We could put it into the General Fund, we could put it into every worthwhile thing there could be, but right now the main debate has been property tax reductions, and that is what we addressed in this bill.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I am the one who originally put 10 percent into the Lottery Fund. What we found in the experience, and actually when I put it in I was also going to sunset it, was the temporary tick-down that they experienced in Delaware was not even within 1 year. Right now the revenues of the Lottery Fund in Delaware, where they have slot machines and racetracks, is actually better now than before they had slot machines at racetracks. So it was only meant to cover a temporary downturn in the Lottery, a bump in the Lottery, because it then comes right back up. And I removed the provision because Senator Fumo is correct, we think that this will be better for property tax reduction, we think more people will benefit from it, and the Lottery Fund is very, very healthy. We do not think, and we have talked to the people at the Lottery, and we do not think that we are going to experience the downturn that they did, and if they did, it would be so temporary we do not think it would have much significance.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, in Senator Tomlinson's original bill it said they would be prohibiting slot parlors from offering free alcoholic beverages, and in this one, it is my understanding that there is no prohibition on free alcohol. This, obviously, has an impact on the bars in the area, I would think. But I just wonder why this was in the original bill and then taken out to give patrons free alcohol.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, it is because it has become a common practice in the industry to provide that complimentary to people who are gambling. It is not going to take away business from any bar. I doubt if the gentleman really thinks that if someone were at a slot machine operation at a racetrack and wanted a drink, that they would really get in their car and leave and go to a bar, but now they are not going to do that because they can get it at the track. I really find that a highly questionable fact scenario.

Senator ARMSTRONG. Madam President, I was talking about free alcohol, free.

Senator FUMO. Madam President, I also do not think that they are going to be giving free alcohol to everybody who walks into the place just to give them alcohol. These are, by and large, good businessmen. They are only going to give it to patrons, and even at that point, only good patrons, and they are also under the control of the Liquor Control Board when it comes to serving people under age, intoxicated, and all the other things that are there, and I doubt very much that they are going to take a chance

and gamble their license in an attempt to violate the Liquor Code, when it is as lucrative as the gentleman tells me it is.

Senator ARMSTRONG. Madam President, there is one provision in there I like, it is about the neighboring churches and school, residence setback. This provision prohibits locating a slot licensee within 2.46 miles of a residence, church or school within a first-class city. Why do we not have this at all tracks? Why just Philadelphia? I guess that is Philadelphia, the only first-class city I know of in Pennsylvania.

Senator FUMO. We are first class, Senator.

Senator ARMSTRONG. Madam President, is there a reason why this just applies to Philadelphia? I think maybe we should apply this to all facilities, not just Philadelphia.

Senator FUMO. Madam President, it was very difficult for me to be able to sustain it even in Philadelphia, but Philadelphia is a very dense city, and we felt it was necessary there.

Senator ARMSTRONG. Madam President, that would probably eliminate about every part of Philadelphia, 2.46 miles from a church.

Senator FUMO. Madam President, we are a very religious city.

Senator ARMSTRONG. Madam President, I think it is a step in the right direction, but currently I do not know if it is enforceable with the political influence and lobbying. There has been a lot of money spent on this already. There has been \$2 million of political campaign contributions scattered around. They are spending hundreds and thousands and millions of dollars in ads in newspapers, radio, but how do we stop it under our current system? If I am a track operator and I want to reward my friends with a sizable contribution, could I not just give it to some law firm and they could give it to me? How could we possibly track that? There is no reporting, as I understand, of any of the lobbying firms as far as where they are getting their money. So it is washed.

Senator FUMO. Madam President, if I may answer the gentleman, there is no way that we could draft anything different, and the scenario that the gentleman puts forth is a blatantly illegal scenario, punishable by already felonious counts of the Criminal Code, both Federal and State. And if they are going to do that, they could give them cash. I mean, if they are going to commit a crime, there are a lot of ways to commit a crime. I happen to believe, and I think the gentleman will bear me out, that the people who own these establishments are not the biggest political givers in Pennsylvania. They may have been recently, but they will be the first ones to use this as an excuse not to give anybody a nickel indirectly or directly. Now, that may hurt some political coffers, but that is the reality of this situation. And I will admit that from what I have seen in campaign filings, they have been very active this cycle, but this law cuts everybody off the minute they apply for a license. And in addition to that, as I said, there is a certification required in here, similar to the certification that a CEO signs on a 10-Q, that he personally, under pain of perjury, has looked into this and no one has done this. Now, yeah, you can always commit a crime, but it is a crime and a very serious crime and a felony. But you can commit that same crime and you do not have to launder the money through a law firm. If you are going to be that unscrupulous, you can give it in cash, and we are not allowed to accept any contribution, I believe it is,

over \$100 in cash. There are a lot of ways to do illegal things. We cannot prevent that. Murder is illegal, too, but we have a lot of people on death row, and we have the death penalty for that. I do not know how to stop that, except to say you cannot do that.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, like I said, it is a step in the right direction and I applaud them for their efforts, but I think it is almost totally unenforceable.

Madam President, I do have additional amendments that are being drawn up now, hopefully they will be down here very shortly, but in the meantime, for this amendment, I urge the Senate to vote against it.

Thank you very much.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Just briefly, Madam President. Every time we put an additional liability on these companies, an additional burden, there is a situation out in western Pennsylvania where they are going to locate a mall right next to a racetrack if they get slot machines at racetracks. They have applied for a \$25 million grant from DCED for the mall, but we are going to charge the racetrack \$50 million just to open up its license. Unlike Atlantic City, this is not an Atlantic City model. This is a model where there are eight racetracks spread across Pennsylvania. Right now we have four, and every community where they go in, they are going to have economic development. The hotels in my area want to see slots at that racetrack because they know that that will bring more people to their hotels. Restaurants want it because they know people will travel to that racetrack and stop at restaurants on the way, and at gas stations. There is a lot of economic development in this besides just the racetrack. It is not an Atlantic City model. In Atlantic City, they put 10 casinos and hotels in 10 blocks. We have eight racetracks spread all the way across Pennsylvania, which is a much bigger State, and that would provide economic development to all those small communities and areas where they are, and I think it is a wonderful model, it is not the Atlantic City model. It will drive even more economic development, not just the economic development of jobs for building the tracks. These owners are going to borrow hundreds of millions of dollars and build hundreds of million of dollars' worth of facilities, creating good construction jobs. They will also create malls, hotels, and restaurants to go around them. We have seen that happen in Delaware, we have seen that happen in West Virginia, and I think you are going to see that happen in Pennsylvania.

The PRESIDENT. The Chair recognizes the gentleman from Lehigh, Senator Dent.

Senator DENT. Madam President, I realize I am speaking twice on this issue, but after hearing some of the comments, I just wanted to make a few comments of my own regarding Atlantic City. To hear the discussions about Atlantic City, you would think we were talking about the city of Mecca. You know, I hear all the time about people running down the Atlantic City Expressway to Atlantic City, we have to stop the flow of Pennsylvania money to Atlantic City, but that is really not the question before us, people running down to AC. The question is this: Where do we want to create our Atlantic City in

Pennsylvania beyond the horse tracks? Where do we want to do that? We know there are going to be more sites, and one of those sites may be in a place that you care for very much, and that is the question. And like everybody else in this room, I am sure we all have friends who run down to Atlantic City, but I am still waiting to meet the guy who wants to live there. They run down all the time, but I think we ought to think very carefully on this issue as we keep talking about Atlantic City and other communities, places where none of us seem to want to live. So again I urge a "no" vote on this amendment.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, I rise to ask for a negative vote on this amendment, and I would like to take a few minutes to explain why I feel so strongly about this being a very bad public policy decision. Number one, I would like to clarify some things. The gentleman from Philadelphia, Senator Fumo, indicated that the Pennsylvania Lottery is so wonderful. The truth is that was a bad step in public policy. And I have a very, very clear recollection of being in the city of Easton during one of the periods of time when the Lottery was very hot and there was a big payout, and I happened to be there to talk to someone from a newspaper about an issue, it was the tax reform issue, I think it was 1989, and I looked at the people standing in that line to buy Lottery tickets. I will share this with you, it was a sorry sight to see, and it was very clear to me that there were darn few people in that line who really could afford to buy 1 or 2 or 10 or 20 Lottery tickets. And I walked into the place where they were selling these Lottery tickets, and I stood there and watched for a period of time as one person just bought ticket after ticket as this machine spit out the tickets. And it was very clear to me that these were people who were addicted gamblers, and it was very clear to me that this is not something that is positive in the final analysis for the State of Pennsylvania.

Those of us who happen to be in political life, because of this gambling, have the ability to indicate to the public that we are giving them something. No, this is a tax, and this is probably the harshest tax that we impose on our fellowmen. And clearly, putting 5,000 slots within 17 miles of the city of Lebanon, which is the center of the 48th Senatorial District, the city where I grew up, puts 5,000 slots within 26 minutes of the city of Lebanon. Right now, someone who wants to play the slots, and of course, people do and they get on the bus and do that kind of thing, they have to basically go to Atlantic City, and they run buses to Atlantic City. Well, guess what? More people are going to be addicted from my home community and from the area that I represent because of this wonderful set of facilities that a group here wants to enable. I would just like to say, no, thank you. I mean, we are really seriously talking about addiction. And as I look across this aisle, I am bemused because I have stood on this floor many times for the last 20 years and have been berated by people who have told me that I am against poor people and that I am putting up a vote that is not good for poor people. Well, guess what, wipe that smile off your faces, because this is devastating to poor people. And let me tell you, the poorest, the addicted, if they are not poor when they start playing the slot machines, they are when they stop playing the slot machines.

This is an addiction.

The interesting dynamic, and I heard the reference made to casinos, is these facilities are going to be worse than casinos, because the heart and soul of the profit-making device in a casino is the slot machines. People sit there and they pull those levers and they pull those levers and they pull those levers, and who knows what is going through their heads. But something is, and it is not something that is good. And they are addicted, and they are more likely to be addicted to slot machines than to any other form of gambling. Some people ask me why I am so opposed. In fact, it is kind of interesting because I have actually had people ask me if I have had a gambling addiction problem in my family, and the answer is, no, I have not. I have been to Gamblers Anonymous for one meeting. I sat there and listened very closely. I think Senator Jubelirer and Senator Armstrong also went to Gamblers Anonymous. I really wish that everybody in this Chamber who wants to be an "aye" vote, who wants to get up and cast a vote to create thousands and thousands of slot machines in the Commonwealth of Pennsylvania, would just go and spend one evening at a Gamblers Anonymous meeting. Do you know an addicted gambler in remission can snap because someone sells him a 180 ticket from a fire company? It is just like alcohol addiction. It is addiction. And so what we are doing is creating more and more addicted gamblers.

Now, one of the things that we often say here, working in public policy, is it is the money. It is always about the money. And of course, on every issue at some point, it is about the money. Well, usually when we deal with an issue, it is about something else. It is maybe about health care for seniors, it is maybe about lower school taxes for some people, as we talked about today. But guess what today is about? It is about the money, and it is only about the money. And it is about a few people getting rich, and lots and lots of people getting poor and poorer. Now, if you listen to Senator Armstrong's example, where someone bought a track and it was a track that was worth a couple of million dollars, \$26 million, and by enabling gambling, they sold it for \$126 million. You know, just think how many souls earning \$20,000, \$30,000, \$40,000 a year are going to have to lose a substantial portion of their income and their livelihood to make up that \$126 million sale price. This is a black industry. And while it may be about the money, it is not just about the money. It is about our families, it is about our children, it is about the neighborhoods we live in, and there is absolutely no justification, no justification for this.

Now, do we think that we are going to solve some budget problems with this? Of course, we are not. You know, as I listened to this debate about the gambling, about all the things we are going to do with the money, I think about a couple who are financially strapped, and they are so financially strapped that they cannot pay their bills. So the husband says, you know, honey, we are really in a bad way. I think I am going to get a weekend job where I can earn \$400 in a weekend, and that is really going to help our financial situation. And she says, you are right. So he goes and he gets the weekend job and he is working weekend after weekend, and he says, you know, we are getting an extra \$400 a weekend, I think I can buy a new car. We can afford that since the payment is only \$370 a month. Well, guess what? In dealing with our budget problems here in the State of

Pennsylvania, that is what we are doing. You characterize this as a new form of revenue, but before the revenue is even in the door, you are talking about sending it out the door to spend it another way. And while I happen to believe that property tax reform is important, and I put a vote up today to move that process forward, for the State of Pennsylvania to take in a dollar and to commit to spend a dollar in the same evening, we are not moving the process ahead at all.

Madam President, this is indeed a black moment in the State of Pennsylvania. It is about the money. A few people are going to make a lot of money. And you know, gambling is an addiction. Now I want to relate one other story. A long time ago in my life I was an assistant district attorney, and every now and then I would have to go into Judge Gates' courtroom, Courtroom No. 1. Judge Gates was a wise old judge who had a twinkle in his eye, and he was a wonderful man to work in front of, and there was a lady there with me, Jeannie Anspach, who ran the Domestic Relations Office. This was attachment court, and at that time in the Commonwealth of Pennsylvania, we had not begun to attach wages automatically, and what would happen is that men who would not pay their support would get called into attachment court and they would get called up in front of the judge. And Judge Gates would look down, and he would say, young man, why have you not paid your support? And of course, there was always a song and a dance: Your Honor, this was wrong, that was wrong, so forth and so on, this bad thing happened to me, this and that, and so forth and so on. And, of course, the judge would look at him and say, well, I am going to find you in contempt. You can purge yourself from contempt by putting up \$500, and the judge would say, sheriff, take the man away. And guess what? None of those men ever spent a night in jail because they always were able to make a phone call and someone showed up to give them the \$500.

Now, when you stood there this month, the next month, this month, the next month, it got to the point where you began to recognize the respondents who came before the court. And as an assistant district attorney and then as a district attorney, you actually got to know your caseload on a personal basis. I think I had at that time 600 or 700 cases a year, and you knew when you got a defendant in if he had an alcohol addiction problem, you knew if he had a gambling addiction problem, you knew what the problem was, you knew these people. I had a friend who used to like to play the ponies, and every now and then we would go out to Penn National, Madam President, and of course, if I put two bucks up on a horse, when it would walk out, it would have a straw hat and be pulling a wagon. But every now and then when I would go out there, I would look, and guess what? There were the individuals whom I saw in court who were not paying their support, or they had a gambling addiction problem and they were going to go from that to alcohol to trouble and back into jail. And when they were on the work release program in the Lebanon County Jail, they were terrific workers and they were terrific people, and when they were released, their addiction would kick in.

Somebody said, this is the United States of America, and it is the United States of America, and we want freedoms and we deserve freedoms. But do you know what? I do not want the freedom of having 5,000 slots within 26 minutes of my

hometown. I do not see any good coming from that, Madam President. I see a lot of bad coming from that. I do not see good jobs, I do not see manufacturing jobs being created as a result of this. You know, one of the ironies is that we are going to do slots to help the tracks. Well now, I do not understand that logic because the first debate we should have had in this Chamber was if we are going to help an industry by providing them with the ability to have slot machines, what industry should we help? The most challenged industry and the most valuable industry in Pennsylvania right now is the manufacturing industry. Maybe if we had 100 slots at the Lebanon-Alcoa plant, I would still have people making \$60,000 a year working there, and the plant would not be on the block and for sale because of competition either in some other part of this country or in some other nation. Who are we kidding, Madam President? Who are we kidding? It is all about the money. Ed Rendell should hang his head in shame to be the enabler of this legislation. We have not done this in 8 years because the Governor did not agree to sign it, and as soon as we get a Governor here who said he is willing to sign it, it did not take long for this money to come up. Who are we kidding, Madam President? There is nothing good here.

Today I listened to Senator Fumo, and I got the impression from what he said that being a hypocrite is unconstitutional. Well, there is an element of hypocrisy in all of us, and I often recognize it in myself. But one minute we are talking about senior citizens and kids, and the next minute we are talking about money and slots. They are inconsistent, Madam President.

Madam President, it is all about the money, and the money is not worth it. I will be glad to pay more taxes, and I will be glad to vote for more taxes if we do not have slot machines. I will say that again. Rather than have the slots, I will be happy to put up my vote for a greater personal income tax. The money is not worth it. Madam President, I ask those who are here tonight, and I think there are 26 who are going to put up a vote to do the slots, just take a minute and think, do we really need to do it tonight? Do we really, absolutely need to do it tonight? Do we think Pennsylvania cannot wait until Monday to do this vote? You know, people used to ask me about the issue of liquor stores and privatization of the liquor stores, and it is an issue that keeps popping up over the course of my 20 years of serving in the General Assembly. And the test I would say is, do we think if we keep public liquor stores, if we do not privatize, that we are going to have a poorer quality of life in Pennsylvania in 100 years or 1,000 years? It might be nice to have private liquor stores, it might be nice not to have to go to a State liquor store, but do we really think it is going to have a significant impact on our life? Well, Madam President, I am going to ask the Members on the other side of the aisle, can we not wait? Give us a chance to work our way through this financially tough time. We can wait. We can wait 6 months, we can wait 1 year, we can wait 2 years. Pennsylvania will be better for it. It is only money. Madam President, please, I ask my colleagues, do not put 5,000 slot machines 17 miles from the city of Lebanon. Leave them in Atlantic City. Leave them in Delaware Park. Leave them in Las Vegas. I ask for a negative vote.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Greenleaf.

Senator GREENLEAF. Madam President, I rise in opposition to this amendment. I remember when Atlantic City was proposing their change, and I remember an interview by the Attorney General of New Jersey and his opposition to it, and he warned about some of the consequences of instituting legalized gambling and casinos in Atlantic City. And they were promising that they were going to help the senior citizens in Atlantic City, New Jersey. They were going to do all such wonderful things for them. Well, I have been down there since then over these many years, and do you know what? There are not any senior citizens in Atlantic City anymore. They have all been sold out, all their houses are gone. I remember one was left, she was between two casinos and she held out, and they tried to get her out for years, tried to evict her, and they did not. There was not any help for senior citizens directly. They lost all their homes. You talk about business. They gobbled up every business, all the favorite restaurants that were down there, a lot of them went out of business, just gobbled them up because they could not compete with the casinos. This is not an Atlantic City model, because we are going to have eight Atlantic City casino types all over our State. It is actually worse than the Atlantic City model, and it is going to gobble up a lot of the industry and the mom-and-pop stores and the restaurants around them.

I also want to talk a little bit about the enforcement aspects of this. Some years ago when I was in the House of Representatives, I was a member of the Committee on Law and Justice in the House and we had a subcommittee of the Judiciary Committee. And at that time they were talking about putting casinos in the Poconos. Just the fact of talking about that had organized crime activities up there, people buying up Pocono land, and they are still up there, and they even had a running gun battle. We had the committee, we had hearings on it, we had meetings with and information supplied by the State Police on this. They had a running gun battle with organized crime members up there in the Poconos just because we were talking about putting casinos up there. In Atlantic City, they have to fight every day of their lives to keep organized crime out of those facilities. And I have read the provisions about enforcement, and I know there are provisions about allowing this commission to have enforcement activities and abilities to take criminal activities against people who violate this act, but I think it is not adequate. It is not adequate to keep criminal activities from infiltrating these facilities. The people who ultimately own these facilities will not be Pennsylvanians. They will be people from out of State, out of the nation. I think it is important for us to be concerned about the fact that these types of facilities will generate criminal activity, guaranteed.

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, for the information of the Members, we have asked the Senate to be at ease. Senator Armstrong is preparing amendments and we are in the process of waiting for those amendments, since they have to be properly drafted to this particular amendment, so as soon as his amendments are down here, we will again proceed.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Well, Madam President, I think if we are not going to proceed to the vote, I think I have Members who would like to speak on the issue who were hesitant because of the lateness of the hour, so I ask that we not go at ease and allow the Members to speak.

Senator BRIGHTBILL. Madam President, we concur.

Senator FUMO. Madam President, if the gentleman would kindly let us know when the amendments are down, we will stop.

Senator BRIGHTBILL. Madam President, we will be happy to do that. We would be even happier to do that than to concur to the gentleman speaking.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Wagner.

Senator WAGNER. Madam President, I rise in support of the amendment, and ultimately if the amendment passes, the bill. Madam President, I think we have heard some honest disagreements in this Chamber here this evening, and I think the majority of things that have been said against the amendment and against the legislation, the majority is sincere. And I think a bill of this magnitude, an amendment of this magnitude, we should have this kind of open public discussion about the pluses and the minuses of this legislation, about the potential for addiction related to people who wager, something that we know exists in all facets of wagering, but also in many aspects of life that exists also. Would you say that the people who go to bingo every week are addicted to bingo? Some may say they are. Some may say it is entertainment. Some would give the same observation as it relates to going to the horse track to bet on horses. Some would say it is addiction, it is wagering. Some would say it is entertainment. The same holds true with playing a slot machine. Some would say it is addiction, some would say it is entertainment. So we can have an honest disagreement about this issue here tonight, and rightfully so, we should. But there are some undeniable facts that have to be made as they relate to this amendment and this legislation.

And the facts are that people in Pennsylvania, Pennsylvania residents, are leaving this State in the tens of thousands every day. And yes, they are going and wagering at Charles Town in West Virginia and Mountaineer Park in West Virginia and Wheeling Downs in West Virginia and Dover Downs in Delaware, in Atlantic City, in Niagara Falls, and virtually all around Pennsylvania. They are going and wagering in even other locations that I do not know about. The fact is that it happens. And as a result of it happening, they are just not wagering. The estimate is a \$3 billion revenue source for Pennsylvania, but also a \$500 million asset to State government that can be used for a variety of purposes, and I am going to get to that in a moment, Madam President, because that is a very important aspect of this. But when people leave Pittsburgh and go to Mountaineer Park or Wheeling Downs, they are just not wagering. They are going to have dinner, they are getting their vehicle filled up with gasoline, they are possibly staying overnight, they are possibly making it a weekend, staying at a hotel, wherever. So Pennsylvania just is not losing real dollars as it relates to the gaming aspect of this legislation, it is losing real dollars for literally thousands of businesses where those dollars could be spent right here in Pennsylvania at Pocono Downs, at the new track, Presque Isle, at The Meadows in Washington County, here at Penn National.

So there is a very real loss of revenue dollars that relate to jobs, that relate to jobs in this Commonwealth, and this Commonwealth is desperately behind in terms of job development, and money is jobs. That is how we equate this whole issue. This issue really is a jobs issue, an economic development issue, keeping people in Pennsylvania, and hopefully, being able to attract people to Pennsylvania.

There are some other undeniable facts. The horseracing industry is dying as an industry in Pennsylvania, and if you do not think it is, go to the racetracks. I was out at Penn National last year, and I have been out at The Meadows. There is no one there. Let me repeat, there is no one there. The reason why there is no one there is that the horseracing tracks in the adjoining States around Pennsylvania have more to offer. It is really that simple. They have more to offer, and one of those things is the additional gaming mechanism of slots at tracks. If we do not pass this legislation, it is my prediction that the four racetracks in Pennsylvania will probably end up being three or two in the near future. And along with those horse tracks shutting down or continuing to decline will be the death of the horse breeding industry in Pennsylvania, which ties into the agricultural industry in Pennsylvania. And that is a very real 10,000 jobs, because we have at least 500 breeders of horses in Pennsylvania, 500 breeders in Pennsylvania. One of the biggest horse farms in the world is just south of Harrisburg, Hanover Farms. That is a very real industry in this Commonwealth that is directly tied to the horseracing industry. And you know what is happening with the breeding industry and the training industry? They are now relocating very gradually to adjoining States, because in those States the purses are higher and the amount they can win by running their horses at those racetracks is far greater than in Pennsylvania. Now, what this legislation does and what this amendment does is devotes a considerably higher amount of money to purses and winnings for those who own horses and ride horses.

So one of the things that this legislation does is save the horseracing industry in Pennsylvania. Some have estimated that the horseracing industry is 35,000 jobs, all total, 10,000 of which relate to breeding horses and the agricultural industry, the number one industry in Pennsylvania. Agriculture is the number one industry in Pennsylvania, and a big component of it is the horse breeding industry and the training industry. Related to the horses, the veterinarians, the feeding of horses, the land that they take, the farms, the thousands of acres that are utilized for that purpose right here in our Commonwealth. That is a significant industry in Pennsylvania. The entire industry, it has been said, has been as high as 35,000 jobs. So the question is do we want that industry to remain here in Pennsylvania? I believe we do.

In addition to the horseracing industry, the second largest industry in Pennsylvania is travel and tourism. Now, when we lose 20,000 or 25,000 Pennsylvanians going to adjoining States each and every day, that is not an asset to the travel and tourism industry of this Commonwealth, the second largest industry. We should want to keep those 25,000 people here in Pennsylvania. As a matter of fact, we should want to do more than that. We should not just want to keep the 25,000 people, we should want to attract another 10,000 or 20,000 people from other adjoining States into Pennsylvania to go to these horse tracks, the four that

we are all aware of - The Meadows, Penn National, Philadelphia Park, and Pocono Downs. And what this legislation does is make these tracks better. Pennsylvania should set its sights on having a Pimlico, a Belmont Stakes, a Kentucky Derby, a Saratoga, and the opportunity exists within this legislation for that to happen, because the purses are going to be enhanced dramatically, which means more people are going to want to go to the tracks, and also the people who own horses are going to be able to get a bigger payday--yes, money--by their horse winning win, place, or show, at these tracks.

Now, to some, the whole aspect of gaming may not sound legitimate, but the fact is, it happens, it has been going on for hundreds of years in this country, and thousands of years in this world, and we are not going to stop that from happening. But I want Pennsylvania to at least get its piece of the pie and be competitive. And that is what this legislation is all about. Now, the dollars that are in the legislation can be utilized by Pennsylvania for purposes for our citizens, because this legislation has been well crafted by Senator Fumo and his team, Senator Tomlinson, and many others, for this State to get a very real \$500 million per year. What happens today with the 25,000 people who leave Pennsylvania to go to adjoining States? Well, what they are doing is spending the dollars they have earned in Pennsylvania in adjoining States. That is precisely what they are doing. And I just indicated the whole economic component of that, and the businesses they are visiting in adjoining States and not our State, and I know by this legislation we are going to keep them here, but we are going to do something else. I am tired of Pennsylvania funding the pharmaceutical drug programs of New Jersey, West Virginia, and other adjoining States. Not just the pharmaceutical drug programs, but the property tax reductions and the educational programs and the volunteer fire departments, and everything else, because that is what is happening also. When Pennsylvanians leave Pennsylvania and they spend money in adjoining States to support all those businesses in those adjoining States, they are doing that, they are creating jobs there, but they are also taking away the dollars that we could have for the needed programs within Pennsylvania. That is an undeniable fact. If anyone does not think so, again, go to Mountaineer Park with me, go to Wheeling Downs. And it has been said hundreds or thousands of times, look at the license plates and see where the majority of them come from. Guess where? Pennsylvania.

So Pennsylvania, without a doubt, has been losing for years in competition to these surrounding States, and it is about time that we create the jobs related to this growth industry. Now, this industry may level off, and this legislation may go too far. And I will even stand up and say that, maybe there are too many horseracing tracks for Pennsylvania. The market will balance that out over time. If there are too many, the market is going to balance it out, and some are going to do well and some are not going to do well. But there is no doubt about it, the undeniable fact is that this Commonwealth is losing jobs to surrounding States. We desperately need jobs, and under this proposal, the lower estimate for the creation of new jobs is 15,000. I do not know about everyone else in this Chamber, but it is hard to sneeze at 15,000 jobs. Now, there are a wide variety of jobs, and some would say they are not the highest paying jobs because they are bartenders, they are waitresses, they are ticket takers, they are

people who train horses, they are people who do custodial work, they park cars, but there are some real jobs there. They are all real jobs. And there are some even higher paying jobs. The fact is that Pennsylvania desperately needs new jobs. Every part of Pennsylvania does. I know southwestern Pennsylvania does, and our unemployment is still too high. And as we know, the unemployment figures are not the real figures. There are many more people unemployed than the figures indicate.

Madam President, I will finish with this one statement. I watched very closely the gubernatorial race last year. You know that, I know that, all of us know that, and I think everyone in this Chamber watched it very closely. And I watched two candidates in the fall, now-Governor Rendell, who was the Democratic nominee, and the Republican nominee, Mike Fisher. Both of those candidates committed to this issue. The difference in the two candidates, and there may have been differences if Mike Fisher would have been elected in the number of slots at tracks, or something else, but I distinctly recall that he indicated the dollars would have gone to pharmaceutical drugs. I remember the debates. Governor Rendell indicated they were going to probably go to property tax reform and some other areas. Well, under this proposal, the majority, the vast majority will go to property tax reform. The \$25 million component will go to volunteer fire departments and some other incidental areas in need. But the fact remains, Madam President, the fact remains that if Mike Fisher would have won as Governor, we would be here tonight, or if not tonight, last week, or a month previous, voting on the same issue, and the issue would have passed, I believe.

So let us be honest with ourselves here. This is an issue that both gubernatorial candidates supported. This is an issue that was supported by both of them because they knew Pennsylvania was at an economic disadvantage, and by doing this, it will help us. Is it the final answer? Absolutely not, and it is the reason why Governor Rendell has offered a very in-depth economic stimulus package. Hopefully, we will deal with that package in the next 2 weeks in its total form. But the fact remains, Madam President, this issue makes Pennsylvania more competitive. It may have some downside, and I cannot disagree with that, it may have some downside, but the fact remains that the majority of people in Pennsylvania, the overwhelming majority of people in Pennsylvania, have said they want this to happen.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Washington, Senator Stout.

Senator STOUT. Madam President, I was at this microphone 2 weeks ago and I was on the horns of a dilemma then, and I am on the horns of a dilemma tonight, 2 weeks later. Two weeks ago I lost because I did not want to give people the freedom of choice to take off their motorcycle helmets. The other side won, but we are back now on a very other important issue that affects the lives of Pennsylvanians, that is the gaming legislation. It is quite ironic and maybe significant that we debate this bill tonight on the 25th of June, because this coming weekend in Washington County they are going to have a meeting of the 40 Year Club. They are the people who were at The Meadows Racetrack when it opened in 1963, 40 years ago. Some of the people who attended the original ground-breaking ceremonies and ribbon cutting are

coming back to Washington County to celebrate the 40th anniversary of The Meadows Racetrack.

Now, someone just did not throw a dart at the map of Pennsylvania and The Meadows Racetrack came to Washington County. The voters of Washington County decided in a referendum in 1961 to have a racetrack. The other counties turned it down - Allegheny County, Westmoreland County, Fayette County - but the poor old boys from Washington County voted it in by 1,000 votes. Now, we have a lot of lawyers on the floor here in the Senate and on the staff, maybe I should check with them before I make this statement, but I think the statute of limitations has run. In 1961, I campaigned to support the referendum to allow parimutuel betting in Washington County. Now, I was just a young kid out of high school a few years, and an old-time politician, a ward leader, Charlie Faye, who has gone to the big caucus in the sky by now, but Charlie Faye said, J. Barry, would you get some friends together, because I had been class president for 4 years in high school. He said, you are a good politician, Barry. Get your buddies together in this campaign for approval of the referendum to have parimutuel betting in Washington County, so we did. And at first I was kind of naive. I thought people went to the polls and worked the polls on election issues out of the goodness of their hearts, but he offered me \$50 for a worker, and in 1961 that was one hell of a lot of money, \$50. So we carried that in Washington County and approved it by 1,000 votes, so that is how The Meadows Racetrack got to Washington County on Interstate 79 and Route 19, straddled right between the line of 79 and 19. So Washington County has had a long history in harness racing.

Devin Miller, who was elected and voted as the outstanding harness person of the century, is from northern Washington County, and he started the harness racing 10, 15 years before the track ever became a reality, he was out campaigning. Every summer at the county fair we used to have sulky races, you go around the fairgrounds track. Now, parimutuel was not allowed, but they bet on their favorite horses behind the barns. We knew that betting was going on, even though it was illegal. But he was a great man, Devin Miller, and if you ever come to Washington County, go up to Meadowcroft Village, in the northern part of the county near Avella, on the old Miller farm, and that is the oldest sign of human habitation in North America, 1,600 years of history in that area before the Indians came in and inhabited that part of Meadowcroft Village. But Devin Miller had a dream to bring harness racing to Pennsylvania. He is the one who is really responsible for The Meadows coming to Washington County on the referendum issue, because people had faith in what Devin Miller projected.

But the gentleman from Lebanon County is not all right and he is not all wrong. I did not have time to get some graphics, so I made my own graphic sign, and can the gentleman from Lebanon County see that? What is that? It is a dollar sign. And that is what this is. It is a money bill. There are good things in this bill and bad things in this bill. I think there are more good than bad.

Now, my late father, he loved the races. My dad could afford to go to the races, and he got himself a box up there, and that was great. He would go to the racetrack and get that handicap form and study and study it, and he would bet, but he could afford to

lose. If he did not win, he still had enough money. But it was a great thing for my dad to go to the races every night. Now, my mother did not like races very much, but she got to like them when she found out that they had a clubhouse and she did not have to stay home and cook meals, so she decided that it was a good thing and the races were not all bad.

Now the racetrack at The Meadows has changed hands several times from the original owners. Ladbrooke had it a few years ago, and then MADNA bought it about 3 years ago, and they are operating it now and investing a lot of money to upgrade that track, which had fallen into disrepair, and they have done a good job of promoting that track. Over the years, the racetrack has been up and it has been down, and we have done things to help it. We have OTBs, and off-track betting was a big thing that was supposed to save the harness industry and the racing industry, but that did not do it. And we have had phone bets, and so forth, and other things. Right now the salvation is being handled through slot machines, to bring the people in so they can help to save the harness industry and the flat races in Pennsylvania. But what really causes competition is from West Virginia and Delaware and New Jersey, because as the gentleman from Lebanon stated, he is only 17 miles away, I am only 12 miles away, from the western part of my district, from Wheeling Downs, and the northern parts, Chester, where Mountaineer Park is, and I am about 10 miles from the Washington County line. So my people vote every day then they drive down to Mountaineer Park or to Wheeling Downs. If you drive through the parking lots, about 50 to 75 percent of the cars have Pennsylvania plates on them. That is where the Pennsylvania people are going.

Why should I support this legislation? Because The Meadows track is in the 46th Senatorial District, which I am privileged to represent, and it will create a thousand new jobs in Washington County. I have a list of the jobs from the people who operate The Meadows Racetrack, and as the gentleman from Allegheny who spoke before me said, there will be 800-some jobs directed at the new slot machines facility at The Meadows Racetrack. There will be 200 jobs for slot attendants and technicians, that pay range is \$30,000 to \$35,000 a year plus benefits; cage and coin and revenue and audit people, 202 jobs estimated at \$25,000 to \$30,000 per year with benefits; security and surveillance people, 120 jobs at \$25,000 to \$35,000 a year plus benefits; human resources and administration and management people, executives, legal, and so forth, 25 people at a pay range of \$75,000 to \$100,000 per job. That is pretty significant. Marketing sales and promotion, 45 jobs at \$25,000 to \$35,000 in that classification, and the so-called parking concessions and shuttle buses, 30 people at \$20,000 to \$25,000; food and beverages, cooks and waitresses and waiters, and so forth, \$20,000 to \$25,000 a year, plus tips. So their estimated payroll is \$30 million a year for 1,000 jobs. That average is about \$30,000 per job. That is a lot of economic development for Washington County, and I am sure it is economic development for all of the 67 counties. And there will be 200 jobs on the racing side, because they will be racing more and more. They will need people to groom and train the horses, so that is another 200 jobs, so that is 1,000 jobs in Washington County, and that is very significant.

Also, with the development of the gaming at The Meadows Racetrack, there is a large development coming across the road called Victory Center. It is put together by Praxis Resources. That is going to be a large outlet mall which will create thousands of jobs, and they have hundreds of thousands of square feet of retail space and entertainment space, which will help the tax base of Washington County and the school districts and the communities at large. Also, besides the jobs is the money, the \$25 million to help our volunteer fire departments throughout Pennsylvania. We did this a couple of years ago and we found out it was very important. It averaged about \$10,000 per fire department, and there is \$25 million in there for our local fire departments. And also, the big thing is the money for the Commonwealth of Pennsylvania. It will ramp up from about \$300 million to \$700 million, to \$800 million, maybe to \$1 billion, to provide property tax relief, and yes, Governor Rendell campaigned on this issue. He told the people of Pennsylvania what he was going to do, and he is doing it, so at least he is following through and keeping his commitment to the voters of Pennsylvania. We have to keep our commitment to the people of Pennsylvania to provide funding for education and property tax relief.

But there is a problem, and I agree with the gentleman, because in 1971 I was a freshman House Member. There are only two other people on my side of the aisle who were there, Bob Mellow and Mike O'Pake. In 1971, I voted for the first Lottery bill. I think Bob Jubelirer was there from the other side, but I do not know who else was here in 1971, but I voted for the first Lottery bill. Then Governor Shapp did not get involved. He said he would sign the bill if it came to his desk, and that is what he did. We dedicated the money to senior citizens, or it never would have passed. That is what passed the bill in 1971.

My grandmother, Grace Stout, lived out in the western part of Washington County. She was kind of the matriarch in East and West Finley Townships. She probably delivered more babies than any doctor in the neighborhood and took care of sick people all of her life. She was a very religious woman because the Wheeling Hill Presbyterian Church is built off the old Stout farm. It is so high up, you look down and see Wheeling, West Virginia, down over the mountain. It is now closed, but my grandmother Grace was kind of the matriarch of that church, and when I voted for the first gambling legislation in 1971, someone sent me a letter on white butcher paper written in blood, your grandmother Grace would turn over in her grave if she knew her grandson voted for the devil and voted for the Lottery. That is what I got in 1971. I voted for the Lottery, and now it is an accepted thing. The Lottery has done a lot of good for Pennsylvania, for the elderly, prescription and property tax rebates and senior citizen centers across Pennsylvania and a lot more things that benefit from it.

So I am not on the horns of a dilemma anymore. I have come off the horns and I am supporting this legislation because it is good for the 46th Senatorial District, it is good for southwestern Pennsylvania, it is good for the Commonwealth of Pennsylvania, and let us pass this bill and move forward to a new Pennsylvania.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Madam President, following my colleague from Greene County and The Meadowlands, I did not bring my flash cards tonight, but I enjoyed his presentation and I want to concur and identify with his comments. But I thought while we are waiting with bated breath for additional amendments--somebody handed me one flash card--we look forward to continued dialogue and discussion on those amendments, but I hope at some point before the stroke of midnight we get to actually cast a final vote, or at least the likelihood of a final vote, on this important measure.

I represent a very diverse district representing three counties, not only a large part of the city of Pittsburgh and Allegheny County, but Armstrong and Westmoreland Counties as well, and I think it is safe to say that the overwhelming majority of my constituents have actually voted on this issue, and they have voted, as many folks in this Chamber tonight have stated very clearly, they have voted with their feet on this issue by going out of State not only to West Virginia and to New Jersey but to New York State as well, and beyond, to spend their valuable dollars, by their own choice as adults, to engage in this activity. Whether you call it gaming or whether you call it gambling, I think it is semantics. I will concede the point that basically it is gambling. It is gambling as much as any church bingo, as much as standing in a Lottery line every day, as much as any office pool, as much as the third week in January when everybody antes up for the Super Bowl, and hundreds of other examples that we can talk about. But it is an adult decision made by adults.

Why in God's name would we let all of this revenue and all of this money leave our State makes no sense to me whatsoever. And if we are sincere, indeed, about wanting to be concerned about addictive behavior in whatever form it takes, whether it be drugs or alcohol or gambling or gaming, whether it be other types of antisocial behavior, then I ask that we revisit the appropriation that was shot down earlier this year by not fully funding the Human Service Development Fund, funding that is badly needed for drug and alcohol and drug addiction programs that were defeated and reduced. There are a lot of opportunities for us to revisit those issues even before we recess, and I hope that those who have spoken on the urgency of these issues would be willing to once again revisit those issues and indeed in an appropriate and a very sincere way the levels of additional funds that are sincerely needed for those addictive behaviors and the impact that it has had on our families, our communities.

We have an opportunity, as has been clearly stated, for a significant amount of revenue and resources to come back and to multiply the loaves and fishes back into our communities. There has been a lot of testimony before this vote arrived at the Chamber, and certainly through the course of this evening's debate, about the benefits from both revenue to the public coffers for very valuable social programs, most of which are significant available funds for the reduction in the high burden of property taxes, but as well other funds that will accrue to local jurisdictions and host communities. But I think it is important that we visit briefly some of the other elements that were not stressed enough in this bill, and I think staff on both sides of the aisle, the sponsors, and all of us, at least the Democratic Caucus, had an opportunity to weigh in and contribute significantly our ideas and concerns on the crafting of this bill. And I am very

pleased and very proud of the initiative by the staff and all who worked on this document, because I think there is the highest level of due diligence that I have seen in a long time emanating from Harrisburg.

Just the fact that the opening legislative purpose has been made much more broad and consistent with the worthy goals and objectives of this new form of activity that we are about to legally legislate, the fact that we went from the narrowness of just looking at the interests of the owners of these tracks and have thought broadly about the public policy of additional revenue and job creation, not only at the tracks, but enhancement of the horse-racing industry, contributing to the agricultural component of the racing industry itself, contributing to meaningful property tax reform, opportunities for economic development, opportunities for resources through the Department of Community and Economic Development to come back into communities for needed infrastructure to make upgrades and improvements in these communities around these facilities. The fact that the preamble itself and the broad statement of findings has been broadened out significantly I think adds to the testament of how important this legislation is as a matter of policy. The fact that there have been significant advances, as have been pointed out, where \$50 million is now required of these interested parties to have to ante up. It is their poker chip into the game. This legislation started out with absolutely zip being paid. I would argue that \$50 million is not maybe the greatest number that many of us would hope to achieve, but certainly \$50 million times 4 or 6 or 8, and even more once the development happens and as corporations change over the next 10 years, that \$50 million payment would have to be anted up once again, we are talking about hundreds of millions of dollars that would immediately go into State coffers as a result of the chip that has to be paid to even enter into the play and enter into the gaming industry as we see it under this bill.

The fact of the matter is that high regard was paid to the issue of just the convenience of the manner in which the play happens once the facility is constructed. We took great pains in this legislation to deny the use of credit cards, which oftentimes are used in Las Vegas and many other gaming facilities. It is one thing for people to go to the gaming facility and the track with money in hand or the availability of an ATM machine, it is another thing to be whimsical and get caught in the rush with the use of a credit card. That is not going to be allowed under this legislation. I think that is an important aspect and an important safeguard that has been provided. We have a situation in this legislation that is very significant that other States have not done. We have embodied, under the due diligence of this statute, a central monitoring and control system, so the State government, the Commonwealth, the Treasurer of our Commonwealth, receives income on a daily basis. It does not go to the industry, it comes directly to the public trust, and then is disbursed and dispensed back to the gaming interests that are running these facilities. That is a big difference rather than the gaming facility itself opening up that till every day and doing the count, and I am very proud and thankful that safeguard is in this legislation.

You know, there have been comments made about the fact that this is not about the horseracing industry, this is about slots. I think the fact of the matter is this was the case when this

legislation started, but the safeguards that are in this legislation require an enhancement of the horseracing side of this equation. And throughout this bill it is clear, even from the required number of actual horseracing game days that will be required under this act, that this is not going to be a sham. This is not a situation where a horseracing industry is going to come in and just have the slots and not indeed contribute to all the various aspects of the economics of horseracing. That is not going to be allowed in this legislation, and I want to thank the framers of this amendment for really honing in and protecting and enhancing and building that part of the racing industry.

I also think it is important, and I think we have not stressed enough because it has been a subject of criticism, legitimate criticism, by public interest groups and it has been editorialized importantly, and that is the safeguards against political contributions and the corruption and disruption to the political process. That was not the case early on, but what is embodied in this legislation are very strong, clear guidelines with criminal penalties for contributions from family members, from the owners and interested parties to elected officials. They will not be able to contribute to the Democratic Party, to the Republican Party, or State political action committees. That is a tremendous safeguard that many other States do not have. That goes a long way in keeping and protecting and enhancing the honesty involved in trying to ward off corruption now or in the future.

I recently had a fundraiser about a month ago. I think I got a \$500 donation from one of these parties; I do not know their name. They had an interest in some type of casino aspect. I sent the \$500 back, to be quite honest with you. I would have liked to have deposited it in my Friends for Ferlo account. I did not do that. I sent them a thank you letter, but I said, given the discussion and the fact we are in the middle of all this debate, I did not think it was appropriate and that it would have the appearance of impropriety for me to take that check. I sent them a nice thank you letter, but I sent their check back. I did that voluntarily. What is more important in this legislation is that it would be required legally under this statute and it would be a matter of criminal misconduct if that is violated.

I also think that we did not, in any way, as is often the case in State government, step on the heels of local mayors and city councils and administrators. We protected in this legislation and safeguarded as sacrosanct local zoning powers, whether a local community has a conditional use process, whether they have a use by right under the Zoning Code, we have not run roughshod over those local zoning decisions and property owners. And as our colleague Senator Fumo stated very clearly, we will not allow the abuse of the eminent domain proceeding to take one person's private property for the private property interests of the gaming community, notwithstanding our support for this bill. If it is public property, that is a different story, but we are not going to allow them to come in, as has been the case in instances in New Jersey where big money property interests just rolled over small money property interests. We are not allowing that. We are saying that would be an abuse of the eminent domain statute, and we are not allowing that whatsoever.

So I, for one, am very proud to support this legislation, and I ask that we continue to hone in and be focused in on any adverse impacts, real or perceived, with this legislation, and that we live

to fight those battles another day and that we use resources that will emanate from this funding source now and in the future, that we revisit even before our recess vital social and human service programs where this Senate, unfortunately, made serious Draconian cuts, and I ask and hope that it would be the wisdom of the Senate to revisit those issues on existing drug and alcohol and addiction programs, compulsive addictive behavior, and the State's role in helping to provide valuable funding and financial resources to those organizations.

But again, my constituents have voted with their feet on this issue and they want me to vote in favor of this. I am probably one of the more recent Members of the Senate, maybe with one other who just came out of an election. Nowhere was it unclear to anybody who voted for the State Senator from the 38th District what his position was, as well as the position, to his credit, of Governor Rendell. This is about leadership, this is about taking a vote for something we believe in.

Thank you very much, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Washington, Senator Stout.

Senator STOUT. Madam President, when I was up here before I used certain graphics that I developed myself, and I have a little bit of trouble with graphics at times. I may be graphic-arts challenged because my grandchildren say, Pap-Pap, you have to stay inside the lines. If I get outside the lines, I get corrected by my grandsons, but I had a little help this time from my good friend Senator Boscola. She used a computer to draw me a picture of a horse, as this is all about racing. We are at the starting gate now, and we need to get this race going, to get the race started and complete the race so we can have jobs, property tax reform, money for the fire departments, impact fees for our local communities, and jobs for the people of Pennsylvania, as Governor Rendell's plan is to move Pennsylvania forward.

So sound the gun, Madam President, and we will get this race started. Pennsylvania does not want to finish last again. We have to be first this time.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Madam President, thank you very much for the opportunity to speak on the amendment and the discussion that we have here this evening. I, too, want to rise and extend and acknowledge my support for the amendment, but most importantly, I want to just take a few moments to talk about some of the discussion that has taken place here over the past 4 or 5 hours, or so. But first before I do that, I also want to acknowledge, as my colleagues have done, that there are a significant number of very good, positive issues on both sides of this debate, and it is a great opportunity for all of us to have that opportunity to discuss and deliberate in this body and talk about those issues, Madam President.

Madam President, as one of my colleagues said earlier, this issue has been around for the past year and a half or so. It was part of the Governor's debate, the Governor's election last year, and clearly Pennsylvanians knew which side of this issue our current Governor was on. And, Madam President, in response to that, to allow me the opportunity to get a better handle on the people who reside in the 43rd Senatorial District, my senatorial district, what their thoughts were on this particular issue, as part

of my spring newsletter, I conducted a survey which asked a number of questions about various relevant and important issues impacting the Commonwealth, the residents of the Commonwealth, that we would be dealing with, some of which we dealt with and, more importantly, some of which we will be dealing with in the next several weeks. Madam President, one of the questions I asked obviously dealt with the issue of expansion of gambling in our Commonwealth, and more specifically, what type of gambling expansion the residents of my district would prefer. I am here to report, Madam President, that over 74 percent of the people who responded, and I might add that of the number of surveys we sent out, we received over 2,350 responses from the 43rd Senatorial District, and of that number, Madam President, 74 percent, some 1,718 responded that they were in favor of a limited expansion of gambling, which included slots at racetracks. Madam President, when those individuals were given the option of selecting what type of limited expansion gambling they would prefer, the preference, by 94 percent, was slots at racetracks, indicating that is the preference of the people in the community that I represent. But also, Madam President, as it relates to the funding that we talked about here this evening, the considerable millions of dollars that will be raised by the slots themselves, but also by the measures that Senate Democrats put forth with regard to the upfront \$50 million fee for the licenses, Madam President, the people in my district, and I am sure the people of many of the districts across this Commonwealth, would like to see that the proceeds are directed toward property tax reduction, as they are in fact in the amendment before us now.

Madam President, my colleagues have also spoken about many of the new measures that have been added to this legislation since its original introduction, and I think they are very significant safety precautions for the people of Pennsylvania, and I think this amendment has gone a long way in addressing many of the concerns and providing many of the protections that the people of Pennsylvania felt needed to be part of this legislation. So I wanted to rise this evening, Madam President, and extend my thanks to the people who have been so involved in this legislation on our side of the aisle, Senator Mellow and his staff, Senator Fumo and his staff, as well as Senator Tomlinson and the folks from his side of the aisle who worked very diligently, and, Madam President, I might point out and acknowledge the concerns the rank-and-file Members had about this legislation and took steps to incorporate them into the final legislation that we are addressing here this evening. So I wanted to add my two cents to this discussion, Madam President. I thank you for the opportunity to do so.

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator White.

Senator M.J. WHITE. Madam President, since we are waiting for some amendments, I think maybe it is time to hear another discouraging word, and I would like to put one in. I listened to Senator Brightbill talk earlier, and I think he is absolutely right to be concerned about the proximity of this enterprise to his community. And my basis for stating that is my experience with Shreveport, Louisiana. In my former life, when I was employed by a corporation, my company bought a plant in Shreveport, Louisiana, and I was assigned the job of going down there to do the due diligence for the acquisition of this very large plant. I

spent about 6 months in and out of Shreveport before the riverboats came. The riverboats came about the end of that time, we had bought the plant, the plant had significant environmental problems, so over the next 2 years I was down in Shreveport very often. When I started going to Shreveport, it had a neat little downtown, had some restaurants, a theater, had little clubs where you could go to listen to music and go to some bars. By the time the 2 years were up and the casinos, the riverboats had been there, there was nothing downtown. All the action was on the boats. The restaurants were gone, the bars were gone. The people from the plant who used to go out and have a beer after work with a friend now went down to the riverboats. Why? Because the booze was free. Why would you go to a bar when you could go onto the riverboat and get free liquor, free food, in some cases. So there they were every night, instead of going out and having a couple of beers with friends and maybe spending \$5 or \$10, going down to the riverboat, drinking free liquor, and gambling away their paychecks.

Now, you do not have to be a compulsive gambler to do that, you just have to make an error of judgment. You only have to do it once to get in serious trouble. The next thing you know, our plant was seeing an unprecedented number of wage attachments, everything from nonpayment to mortgage foreclosures, and we were seeing problems with our work force. So the proximity is a big factor. If you have to get on a bus and go to Atlantic City, maybe you will go once a month. Maybe, if you are real hard core and find this real entertainment, you might go once a week, but I am telling you there are people who will go every day simply because it is there, and we are presenting this opportunity for people to make tragic mistakes. Now, I recognize people are adults, they have the right to do what they want, but we do not have to make it so easy for them to mess up their lives and the lives of their children.

Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I would just like to speak to the Louisiana model or the Atlantic City model again and say Pennsylvania is a very, very large State, very diverse, a lot of open space and land. We are probably the most rural State, and what we have here is four racetracks spread across all of Pennsylvania and we have the ability to have four more. And that is one reason that I was not so enamored with riverboats or land-based casinos because you could concentrate them in such a close area. As I said earlier, my community is less than an hour from Atlantic City. They have 36,000 slot machines in Atlantic City. We are going to put 3,000 slot machines in Philadelphia Park, and because of market and because of population, we might be able to get as many as 5,000. Many of these tracks will only have 1,500 machines, maybe 2,000 machines in the Poconos or Erie, where the market share would not demand that. But we are going to spread these machines all over Pennsylvania and spread this economic development all over Pennsylvania, and I think that is very, very important. We have not created this Louisiana model. We have not created the Atlantic City model. We have created a model where we have gaming in Pennsylvania. Horse tracks have gambling. We are now expanding that into slot machines at racetracks. People go to horse tracks to gamble, and

I think that the model that we put up, as we have seen in Delaware and West Virginia, has created good economic growth around them, and it has not created the social problems. In fact, crime has gone down in West Virginia, in the town where they created the racetrack. Employment has gone up and crime has gone down. It has not caused the social problems that they have.

And when it comes to addiction, I know it is very passionate, I know that many people here have great concern about the welfare of their constituents, but the addiction rate in gaming is less than 1 percent. The addiction rate of alcohol is much, much greater, and yet we do not prohibit alcohol. We regulate it, we tax it, we do the best we can to try to take care of addiction, and it should be the same with gaming. We regulate it, we tax it very, very heavily, and we do provide for addiction, but the addiction rate is so much less. The truth of the matter is most of the residents who live in my community who like to go to Atlantic City are responsible. They do not bet the lunch money, the mortgage. They are fine, upstanding citizens and they have a good recreational time, and many of them go to Atlantic City a couple times a week, maybe a couple of times a month. But most of the people I know gamble responsibly and are good citizens, productive citizens. They hold good jobs, they are retired people who worked hard all their lives, and they just like to go out and do this once in a while. And most of those people I know are not poor, they are not deprived, and they have good control of their lives.

I would just like to mention a little bit about how much we are truly spreading this money around Pennsylvania. Unlike riverboats that might have been taxed at 15 percent, or casinos that might have been taxed only at 6 percent, we are taxing this at 36 percent. Now, the gross slot revenues just on four tracks alone is a little over \$1.5 billion. The State and local tax on that, just on the four tracks, is about \$550 million which will go into the State coffers and some of it into local. That is \$550 million for four tracks. When we get eight tracks, we could get \$700 million, \$800 million, \$900 million a year, every year coming into the State of Pennsylvania. So 36 percent on four tracks produces \$550 million. Of the rest of that, 18 percent goes to purses. That is about \$275 million that goes to purses. That goes to the horsemen, the breeders, it goes to the people who have the horses. That is spread out through the agricultural community. They are some of the highest purses in continental America. The next highest purse in continental America is in Ontario, Canada, where 10-percent purses raise \$176 million across all of Canada. And so ours at 18 percent is going to raise a tremendous amount of money that will go back into horseracing, go back into the agricultural community, the farmers, the people who produce the feed, the people who produce the fences, and the people who take care of the horses. That money is going back. That is another slice of the pie that the riverboats or land-based casinos would never have gotten to a great part of Pennsylvania. And I thought that was very important because as riverboat votes came up, my community is right on the Delaware River, a lot of people were very excited about riverboats, but this form spreads the money around among more Pennsylvanians than anything we have.

When we move down and see how much the owners are going to invest, see how much the taxes are, operating expenses,

depreciation, ultimately in the end, these owners are going to invest all this money, put up this \$50 million upfront, pay a 36-percent tax on the gross revenues, and they are going to end up with a 7-percent return on their investment, and I think that for the money they are putting into here, we expect them to invest a lot of money in new buildings. It is my hope that our racetrack is going to invest anywhere between \$150 million and \$350 million on a new facility, and that is a lot of good construction jobs. The business is up and down, the main thoroughfares in my town are looking forward to seeing that bring in more people and more economic development.

So I just wanted to point out that the addiction problem, which we are all very concerned about, we made provisions for in this bill of \$1.5 million to go to addiction problems, but the majority of the people who do this, they do it responsibly, they do it within their own budget, and they are very intelligent people. Some of these people do develop a problem, but it is only the minority. The majority of people, 99 percent of the people who do this, it is a decent part of their recreational dollar, and therefore, I would like to make a few of those points as we are waiting for the amendments.

Thank you, Madam President.

And the question recurring,

Will the Senate agree to amendment A2402, as amended?

ARMSTRONG AMENDMENT A2439 TO A2402 AS AMENDED

Senator ARMSTRONG offered the following amendment No. A2439 to A2402, as amended:

Amend Amendments, page 15, lines 9 through 35, by striking out all of said lines

Amend Amendments, page 15, line 36, by striking out "(e)" and inserting: (c)

Amend Amendments, page 15, lines 39 through 45, by striking out all of said lines

On the question,

Will the Senate agree to amendment A2439 to amendment A2402, as amended?

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, what this amendment does, very simply, is says that the \$50 million fee that is upfront, if we do not do anything, if we do not handle the board exactly the way it is supposed to be or make any changes, alter in any fashion whatsoever, they can get all their money back, \$50 million. I feel that as the legislature we have the right to change things. It is our prerogative, and we should not have a gun held to our head, that if we make any changes to the board that they get their money back. So basically what this does is strike out that part of the amendment in section (d) on page 15, the entire section (d).

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I rise to oppose the amendment. Senator Fumo and I put a great deal of work into

creating this board. It is a seven-member board, four members appointed by the legislative leaders, three members appointed by the Governor, and I think this is a very well-balanced board. We have provisions to get the board up and running, there are staggered terms in this. I think this is an excellent board, and I think the provisions that were made in my amendment are good, and I oppose this amendment.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I, too, ask for a negative vote. I think what you have to do in these situations is have stability. I know that the gentleman from Lancaster is at least somewhat glad that we are getting at least \$50 million for these licenses. When you are going to do that, you have to be able to create a stable environment so that they can go and get loans, and the people who are going to lend the money are going to want to make sure that there are not going to be any changes on the regulatory side of it and also that there are not going to be changes on the tax side of it. So that is all we are asking for, is stability here. And I might add that I did not even draft this provision. That was done by the esteemed 51st Member of the Senate, Steve MacNett, and I took his advice on this. I hope that the Republican Senators would not be contradictory to the Chief Counsel of the Republican Caucus. I think that is in poor form.

The PRESIDENT. The Chair recognizes the gentleman from Mercer, Senator Robbins.

Senator ROBBINS. Madam President, I rise in support of this amendment. I believe the way the Tomlinson amendment is written, putting words like "any" and "all" and "absolute," any change will in fact give the \$50 million back, whether it is Indian casino gambling, whether it is changes in the Lottery, as I read it, anything that could have an economic impact, not just what this board does, would allow these people to come back in and reclaim their \$50 million. Without having time to review the Tomlinson amendment diligently, as has been requested, I can see where there is absolutely zero dollars being gained for this State through this provision, so I support the amendment.

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, the gentleman from Philadelphia basically attributed the authorship--

Senator FUMO. Madam President, I wanted to clarify that, if I may.

Senator BRIGHTBILL. Madam President, we are most happy to have the gentleman do that.

Senator FUMO. Thank you.

Senator BRIGHTBILL. Madam President, he is so courteous tonight.

Senator FUMO. Madam President, the Chief Counsel did not draft this particular portion, he drafted the board concept and makeup.

Senator BRIGHTBILL. Madam President, we understand that. That is what I wanted to make sure, that it is factually accurate.

Senator FUMO. Madam President, I know he was a very fair player and he did this at our request. I know he is not used to drafting legislation, and he just got into this one and I do not want to jam him up.

And the question recurring,

Will the Senate agree to amendment A2349 to amendment A2402, as amended?

The yeas and nays were required by Senator ARMSTRONG and were as follows, viz:

YEA-21

Armstrong	Lemmond	Rafferty	White, Donald
Brightbill	Madigan	Rhoades	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Greenleaf	Orie	Scarnati	
Helfrick	Piccola	Waugh	
Jubelirer	Punt	Wenger	

NAY-28

Boscola	Fumo	Mellow	Tartaglione
Conti	Hughes	Musto	Thompson
Corman	Kasunic	O'Pake	Tomlinson
Costa	Kitchen	Pileggi	Wagner
Earll	Kukovich	Schwartz	Williams, Anthony H.
Erickson	LaValle	Stack	Williams, Constance
Ferlo	Logan	Stout	Wozniak

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,

Will the Senate agree to amendment A2402, as amended?

ARMSTRONG AMENDMENT A2423 TO A2402 AS AMENDED

Senator ARMSTRONG offered the following amendment No. A2423 to A2402, as amended:

Amend Amendments, page 30, line 39, by striking out "Each" and inserting: Subject to the provisions of subsection (c), each

Amend Amendments, page 30, line 48, by striking out "Annually," and inserting: Subject to the provisions of subsection (c), annually

Amend Amendments, page 30, by inserting between lines 50 and 51:

(c) PACE and PACENET augmentation.—Monthly, an amount equal to 10% of the slot machine tax in the State Gaming Fund shall be transferred to the Department of Aging for augmentation of the PACE and PACENET programs under Chapter 5 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

Amend Amendments, page 30, line 51, by striking out "(c)" and inserting: (d)

Amend Amendments, page 30, lines 53 and 54, by striking out "(a) and (b)" and inserting: (a), (b) and (c)

On the question,

Will the Senate agree to amendment A2423 to amendment A2402, as amended?

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, basically what this does, initially when the bill was introduced, 10 percent of the proceeds would be going for our senior citizens for PACE and PACENET. What this does is restore that funding to what the

original intent was so that 10 percent of the proceeds do go to PACE and PACENET.

The Lottery Fund is going to take a hit, I do not care what anybody says, when these slot parlors are set up. It will have a negative impact on the Lottery, and I feel a way to overcome that would be to have 10 percent of the funds designated to go into PACE and PACENET. So I ask for a positive vote on the amendment.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I rise to oppose the amendment. As I said earlier, in Delaware there was a slight dip in it, it came right back up. I think with some of the things that this Governor has done for the Lottery Fund, the new Power Ball and some of the new things that we have done, the Lottery revenues are at record levels, and I do not think that this is necessary, so I oppose the amendment.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, I think there is a huge difference between Delaware and Pennsylvania. I do not know what the population of Delaware is, but is it a million people? I am not sure what it is, but I know they do not have many Congressmen. But here we have 12 million people in Pennsylvania, so I think you are going to see a significant difference as far as the impact on the Lottery Fund, so I urge a positive vote.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I, too, ask for a negative vote. And also, this might even impact the Volunteer Firemen's Fund and also the Gamblers Anonymous Fund. I ask for a negative vote. There are a lot of great things to do with this money. Every projection we have indicates our Lottery is stronger now than it ever was, and this is not going to affect it. In fact, I am kind of confused anymore, because I thought I heard debate tonight on how bad the Lottery was, so I do not know why certain people are trying to protect it. I am lost. I ask for a negative vote.

And the question recurring,
Will the Senate agree to amendment A2423 to amendment A2402, as amended?

The yeas and nays were required by Senator ARMSTRONG and were as follows, viz:

YEA-21

Armstrong	Jubelirer	Punt	Wenger
Brightbill	Lemmond	Rafferty	White, Mary Jo
Corman	Madigan	Rhoades	Wonderling
Dent	Mowery	Robbins	
Greenleaf	Orie	Scarnati	
Helfrick	Piccola	Waugh	

NAY-28

Boscola	Hughes	Musto	Thompson
Conti	Kasunic	O'Pake	Tomlinson

Costa	Kitchen	Pileggi	Wagner
Earl	Kukovich	Schwartz	White, Donald
Erickson	LaValle	Stack	Williams, Anthony H.
Ferlo	Logan	Stout	Williams, Constance
Fumo	Mellow	Tartaglione	Wozniak

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,
Will the Senate agree to amendment A2402 as amended?

ARMSTRONG AMENDMENT A2432 TO
A2402 AS AMENDED

Senator ARMSTRONG offered the following amendment No. A2432 to A2402, as amended:

Amend Amendments, page 2, lines 39 and 40, by striking out "at Pennsylvania horse racetracks"

Amend Amendments, page 4, line 41, by striking out "racetrack," and inserting: corporation,

Amend Amendments, page 4, lines 52 through 56, by striking out all of said lines and inserting:

"Licensed corporations." Persons that have obtained a slot machine license through an auction.

Amend Amendments, page 5, lines 1 through 6, by striking out all of said lines and inserting:

"Licensed racetrack" or "racetrack." Legal entities that have obtained a license to conduct thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from either the State Horse Racing Commission or the State Harness Racing Commission pursuant to the Race Horse Industry Reform Act.

Amend Amendments, page 5, line 23, by striking out "racetrack" and inserting: corporation

Amend Amendments, page 5, line 34, by striking out "racetracks" and inserting: licensed corporations

Amend Amendments, page 6, lines 3 and 4, by striking out "at a specific racetrack"

Amend Amendments, page 9, line 12, by striking out "at racetracks" and inserting: at the physical location where the licensed corporation conducts slot machine gaming

Amend Amendments, page 9, line 14, by striking out "racetracks" and inserting: licensed corporations

Amend Amendments, page 9, lines 54 and 55, by striking out "at its racetrack"

Amend Amendments, page 14, lines 56 through 59; page 15, lines 1 through 45, by striking out all of said lines on said pages and inserting::

§ 9206.1. Slot machine auction.

(a) Eligibility.—Persons that have obtained a license to conduct thoroughbred or harness horse race meeting respectively with pari-mutuel wagering from either the State Horse Racing Commission or the State Harness Racing Commission pursuant to the Race Horse Industry Reform Act shall have the ability to operate slot machines according to this act. The licenses to operate the slot machines will have a term of 15 years, after which time each will be renewable upon the negotiation of a second license payment with the Commonwealth. Licenses may be revoked if the holder violates the provisions of this act.

(b) Fees.—To obtain the licenses, each racetrack must pay the Commonwealth the following amounts, in cash, as license fees by October 30, 2003:

(1) Racetracks located within 100 miles of cities of the first class - \$500,000,000.

(2) Racetracks located within 100 miles of cities of the second class - \$300,000,000.

(3) All other racetracks - \$125,000,000.

(c) Additional investors.—If the racetracks require additional outside investors to raise the license fee, the Commonwealth will use all

reasonable effort to have such investors approved by the Gaming Commission prior to October 30, 2003.

(d) Auction.—If a racetrack is unwilling, or unable, to pay the Commonwealth its respective license fee, the Commonwealth will have the right to sell the license to the highest bidder that can meet the Gaming Commission's qualifications. In conducting the sale, the Gaming Commission will retain the services of a nationally recognized investment banking firm with demonstrated mergers and acquisition experience to assist in the sale process.

(e) Location of facility.—A nonracetrack license holder will be required to locate its facility within 10 miles of the racetrack that forfeited the license.

(f) No additional licenses.—For five years after the sale of the licenses, the Gaming Commission will not authorize additional licenses. For ten years after the sale, the Gaming Commission will not authorize additional gaming facilities within a one-mile radius of each of the respective license holders.

(g) Deposit of license fee.—The total amount of all license fees imposed and collected by the board under this section shall be deposited in the State Gaming Fund.

Amend Amendments, page 16, line 26, by striking out "at its racetrack"

Amend Amendments, page 16, lines 42 and 43, by striking out "within each racetrack"

Amend Amendments, page 17, line 9, by striking out "at its racetrack"

On the question,

Will the Senate agree to amendment A2432 to amendment A2402, as amended?

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, I was saving the best for last here. What this does is sets an auction for the licensing of these facilities. We license oil leases, State property, PennDOT trucks, bicycles, jewelry, cell phones. We have these auctions all the time, and these licenses have tremendous value. I talked earlier about what happened in Louisiana. Usually, you value a corporation by so much times earnings or so much times cash flow or so much times profits. I have been told by people in the industry that the average these slot parlors will probably generate is about \$50 million a year. Now some people say that is high, some people say that is low, but I guarantee you, \$50 million is probably pretty accurate. Now, if you use the common rule of thumb in the business community, a standard rule of thumb would be 8 times earnings, 10 times earnings, 15 times earnings, depending upon the corporation, depending upon its growth, and depending upon its market. Here we have a monopoly. Basically, there will be only eight of these in existence in Pennsylvania. These have tremendous value. Delta Downs, with 1,500 slots, sold at roughly 6 times its earnings in a remote area of Louisiana. Well, if they are worth 6 times their earnings, you are talking \$300 million per license in Pennsylvania. I can guarantee you, they are worth a whole lot more than that. What is the best way we can find out? We do not really know. I heard at one time they were talking about putting a \$100 million to \$150 million license fee in this bill that we are voting on.

Madam President, everybody I talk to, the people who gamble every week, they have come up to me and said, you know, I do not agree with you on your opposition to slots in Pennsylvania, but you know what, you are right on the money, these should be

auctioned off. Why should we give the money to the people who will set up the slot parlor?

Now, I have some background information on the people who are going to own these facilities. These people, I do not know if they need any money or not, but I thought I would check out their 10-K. MEC, which is Magna Entertainment Corporation, one of the owners is Fred Stronach, he has 8,610,000 shares of class A stock, plus 58,000,000 shares of class B stock; Donald Amos has 122,000 shares; and Jerry Campbell, 241,000. The people who are owners have 9 million shares of class A stock, plus they have 58 million-plus shares of class B stock. These people have tremendous amounts of money. Plus, these are all companies that are listed on the exchanges, so they have tremendous stock options. These people are worth tens of millions of dollars. This is just one company.

MTR Gaming, Presque Isle, Ed Arneault has exercisable rights for stock for 10,000,000 shares. Another gentleman here has exercisable rights for stock at 2.8 million shares. On top of this, they have tremendous compensation packages worth hundreds of thousands of dollars a year. These people do not need another big gift.

At Penn National, a gentleman by the name of Peter Carlino, his salary was \$600,000 this last year, a bonus of \$550,000, options for \$150,000, plus he had other compensation of \$263,000. This is just his salary and bonuses. This has nothing to do with all the stock he owns. One of our former legislators, Joe Lashinger, was part of that. I see here he has \$88,000 in salary, \$25,000 in bonuses, plus other compensation for \$234,000. Here are shares exercised, \$6 million and \$8 million.

These people have tremendous assets, so I feel that they could pay up a little bit for this. If that is not a fair price, maybe \$50 million is too high. I mean, they are worried about \$50 million, but when we first started talking about an auction, all of a sudden it jumped to \$50 million. The auction has not even started and the price is \$50 million. I think the people of Pennsylvania deserve a fair shake at this. Let us auction a couple off. I could be dead wrong. Maybe they are only worth \$20 million, but I am willing to bet they are worth more than \$50 million, and I think they are worth substantially more than \$50 million. What my amendment would do is allow these licenses to be auctioned off in Pennsylvania for the real value. I will tell you what, we could use an extra billion dollar shot in the arm right now in Pennsylvania. If we are going to have gambling, let the pros bid on this and let us get the top dollar. I ask for an affirmative vote.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I rise to oppose the amendment. It is very interesting how Senator Armstrong seems to be interested now in promoting gaming and getting more money out of gaming. I find that very, very interesting. But the truth of the matter is, when they tried to auction these licenses off in Illinois, that license still exists because of the tax burden. We cannot get it from the front end and the back end both. We are taxing very heavy at the back end of this. On just four racetracks, we are going to raise \$500 million. If we get all racetracks up, it is \$700 million, \$800 million, \$900 million a year. I oppose this amendment. It is very interesting how wealthy some of these people might be, but I think the Atlantic City interests and Las

Vegas interests are a lot richer and might come in to bid on this, but they did not bid in Illinois. It is something they tried as a ploy in Maryland to try to defeat this. I think it is a ploy to try to derail us and confuse us. I oppose the amendment.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I, too, ask for a negative vote. We have negotiated this long and hard, and \$50 million is the number that we reached. We would all like to see more, but as Senator Tomlinson said, it is a factor not only of the upfront fee, but of the percentages that are going to the horsemen and the agriculture industry in Pennsylvania, as well as to the reduction of property taxes. I have no doubt that track owners and people operating these things would pay a lot more for a license if they were getting a lot more to take on the back end. This is a balance between all of it, and quite candidly, if I thought that Senator Armstrong was going to cast a positive vote for this bill if he got his amendment in, I might be tempted, but I know better, so I ask for a negative vote.

And the question recurring,
Will the Senate agree to amendment A2432 to amendment A2402, as amended?

The yeas and nays were required by Senator ARMSTRONG and were as follows, viz:

YEA-21

Armstrong	Lemmond	Rafferty	White, Donald
Brightbill	Madigan	Rhoades	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Greenleaf	Orie	Scarnati	
Helfrick	Piccola	Waugh	
Jubelirer	Punt	Wenger	

NAY-28

Boscola	Fumo	Mellow	Tartaglione
Conti	Hughes	Musto	Thompson
Corman	Kasunic	O'Pake	Tomlinson
Costa	Kitchen	Pileggi	Wagner
Earll	Kukovich	Schwartz	Williams, Anthony H.
Erickson	LaValle	Stack	Williams, Constance
Ferlo	Logan	Stout	Wozniak

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,
Will the Senate agree to amendment A2402, as amended?

The yeas and nays were required by Senator TOMLINSON and were as follows, viz:

YEA-27

Boscola	Hughes	Musto	Thompson
Conti	Kasunic	O'Pake	Tomlinson
Costa	Kitchen	Pileggi	Wagner
Earll	Kukovich	Schwartz	Williams, Anthony H.
Erickson	LaValle	Stack	Williams, Constance

Ferlo	Logan	Stout	Wozniak
Fumo	Mellow	Tartaglione	

NAY-22

Armstrong	Jubelirer	Punt	Wenger
Brightbill	Lemmond	Rafferty	White, Donald
Corman	Madigan	Rhoades	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Greenleaf	Orie	Scarnati	
Helfrick	Piccola	Waugh	

A majority of the Senators having voted "aye," the question was determined in the affirmative.

And the question recurring,
Will the Senate agree to the bill on third consideration, as amended?

RHOADES AMENDMENT A2380

Senator RHOADES offered the following amendment No. A2380:

Amend Title, page 1, line 6 (A2402), by inserting after "penalties;": establishing the State Lottery Commission and providing for its powers and duties; regulating video keno at certain licensed establishments; establishing the Local Property Tax Reduction Fund; providing for local tax reduction;

Amend Sec. 2, page 1, line 10 (A2402), by striking out "a chapter" and inserting: chapters

Amend Sec. 2, page 37, by inserting between lines 38 and 39: (A2402)

CHAPTER 92A
VIDEO KENO

- SUBCHAPTER
- A. Preliminary Provisions
- B. Commission
- C. Operation

SUBCHAPTER A
PRELIMINARY PROVISIONS

Sec.
9201A. Definitions.
§ 9201A. Definitions.

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

- "Chairman." The chairman of the State Lottery Commission.
- "Commission." The State Lottery Commission established under Subch. B (relating to commission).
- "Department." The Department of Revenue of the Commonwealth.
- "Director." The executive director of the State Lottery Commission.
- "Lottery" or "State Lottery." The lottery established under Chapter 3 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.
- "Secretary." The Secretary of Revenue of the Commonwealth.

SUBCHAPTER B
COMMISSION

Sec.
9211A. State Lottery Commission.
9212A. Powers and duties.
9213A. Director.
§ 9211A. State Lottery Commission.

(a) Establishment.—The State Lottery Commission is established, as an independent commission, which shall consist of nine members to be appointed as follows:

- (1) The secretary or a designee, who shall serve ex officio and

be the chairperson.

(2) The Secretary of Aging, or a designee, who shall serve ex officio.

(3) Two members appointed by the Governor, one of whom shall be a certified public accountant who has a minimum of ten years' experience and who is licensed to practice accountancy in this Commonwealth and the other of whom shall have comprehensive knowledge of the principles and practice of corporate finance and have a minimum of ten years' experience in that field.

(4) One member appointed by the President pro tempore of the Senate.

(5) One member appointed by the Minority Leader of the Senate.

(6) One member appointed by the Speaker of the House of Representatives.

(7) One member appointed by the Minority Leader of the House of Representatives.

(8) One member appointed by the Attorney General who shall have a minimum of ten years' experience in the field of law enforcement.

(b) Terms.—Commission members shall serve terms of three years, except that of the Governor's initial appointments, one shall serve for four years and one shall serve for two years. No member may be appointed to more than two consecutive terms.

(c) Eligibility.—A commission member shall be a citizen of the United States and resident of this Commonwealth and shall have no pecuniary interest in any business or organization doing business with any person or organization provided for under this chapter. No commission member shall be a member of the General Assembly.

(d) Expenses.—Commission members shall receive no compensation for their services but shall be reimbursed for their actual and necessary expenses while performing the business of the commission.

(e) Meetings and quorum.—The commission shall meet at least once a month and conduct such additional meetings as the chairperson deems desirable. Special meetings may be called by the chairperson upon the written request of the director or of any four members of the commission. Five commission members shall constitute a quorum.

§ 9212A. Powers and duties.

The powers and duties of the commission shall be:

(1) To operate and administer the lottery and video keno and to promulgate rules and regulations governing the establishment and operation thereof, including, but not limited to:

(i) The type of lottery, including video keno, to be conducted.

(ii) The price or prices of tickets or shares in the lottery.

(iii) The numbers and sizes of the prizes on the winning tickets or shares.

(iv) The manner of selecting the winning tickets or shares.

(v) The manner of payment of prizes to the holders of winning tickets or shares.

(vi) The frequency of drawings or selections of winning tickets or shares, without limitation.

(vii) Without limitation as to number, the type or types of locations at which tickets or shares may be sold.

(viii) The method or methods to be used in selling tickets or shares.

(ix) The licensing of agents to sell tickets or shares provided that no person under 21 years of age shall be licensed as an agent.

(x) The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

(xi) The apportionment of total revenues accruing from the sale of lottery tickets or shares and from all other sources among:

(A) the payment of prizes to the holders of winning tickets or shares;

(B) the payment of costs incurred in the operation and administration of the lottery, including the expenses

of the division and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials; and

(C) property tax relief and free or reduced fare transit service for the elderly as provided in section 311 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law. No less than 30% of the total revenues accruing from the sale of lottery tickets or shares shall be dedicated to property tax relief and free or reduced fare transit service for the elderly.

(xii) The production and merchandising of promotional items for the lottery.

(xiii) Such other matter necessary or desirable for the efficient and economical operation in administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.

(2) To have control of all personnel, allocations, appropriations, equipment, supplies, records, contracts, rights and obligations which are utilized or arise in connection with the functions formerly vested in the secretary or the department by the State Lottery Law, which are hereby transferred to the commission.

(3) To assume the powers and duties in general vested in the several administrative departments and several independent administrative and departmental administrative boards and commissions as set forth in the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(4) To report monthly to the Governor and the General Assembly the total lottery revenues, prize disbursements and other expenses for the preceding month and make an annual report which shall include a full and complete statement of the lottery revenues, video gaming revenues, prize disbursements and other expenses and such recommendations for changes to this chapter or the State Lottery Law that the commission deems necessary or desirable.

(5) To perform the powers and duties formerly vested by the State Lottery Law in the secretary and the department.

(6) To conduct hearings at the request of any person who is denied a license, provided that the hearing shall be conducted in accordance with the provisions of 2 Pa.C.S. (relating to administrative law and procedure). An aggrieved party shall have the right to a de nova appeal from the decision on license denial to the court of common pleas in the judicial district having jurisdiction over the applicant and/or the licensed premises.

(7) To investigate licensees for violations of this chapter and hold hearings to consider these matters. Hearings and appeals shall be conducted in the same manner as set forth in paragraph (6). The commission may suspend or revoke a license if it finds that a violation of this chapter has occurred. No license shall be suspended or revoked until the appeal has been decided by the commission or during an appeal to the court of common pleas. The fine for a violation of provisions of this chapter or of regulations adopted under this chapter shall not exceed \$10,000 for the first offense and \$20,000 for the second offense. The penalty for a third offense shall be license revocation. An appeal to court on a third violation shall not act as an automatic stay.

§ 9213A. Director.

The commission may appoint an executive director to hold office at the pleasure of the commission. The director shall have such powers and duties as the commission shall prescribe and shall receive compensation as the commission determines. The director shall employ personnel necessary to carry out the duties of the commission.

SUBCHAPTER C OPERATION

Sec.

9221A. Definitions.

9222A. Video keno.

9223A. License required.

9224A. Licensing requirements.

9225A. License fees.

9226A. Prohibitions.

9227A. Machine characteristics.

9228A. Local Property Tax Reduction Fund.

9229A. Distribution of net machine income.

9230A. Commission costs.

9231A. Local property tax reduction.

9232A. Special exemptions.

§ 9221A. Definitions.

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

"Applicant." An applicant for a license issued under this subchapter.

"Distributor." An individual, partnership, association or corporation licensed by the State Lottery Commission to buy, sell, service or distribute video keno machines to machine vendors. The term does not include machine vendors and manufacturers.

"Fund." The Local Property Tax Reduction Fund established under section 9228A (relating to Local Property Tax Reduction Fund).

"Licensed establishment." A restaurant, bar, tavern, hotel or club which has a valid liquor or malt or brewed beverage license under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code. The term shall include a racetrack as defined in the act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.

"Machine vendor." An individual, partnership, association or corporation which is licensed by the State Lottery Commission and which owns, services and maintains video keno machines for placement and public use in licensed establishments.

"Manufacturer." An individual, partnership, association or corporation licensed by the State Lottery Commission and which manufactures or assembles video keno machines for sale or use in this Commonwealth.

"Net machine income." The money put into a video keno machine minus credits paid out in cash.

"Video keno machine." A device or machine which upon insertion of a coin or currency plays or simulates the play of a video game authorized by the State Lottery Commission, and utilizes a video display and microprocessors and in which, by the skill of the player or by chance, the player may receive free games or credits which may be redeemed for cash. With the exception of tickets indicating credits won, which are redeemable for cash, such device or machine must not directly dispense any coins, cash, tokens or anything else of value and must be linked to the State Lottery Commission's central communications system.

§ 9222A. Video keno.

Video keno at licensed establishments may be conducted only in accordance with this subchapter.

§ 9223A. License required.

(a) Background investigation.—The director shall conduct a background investigation of each applicant for a manufacturer's, distributor's or machine vendor's license as to their personal and business character, honesty and integrity. The investigation may utilize the same procedures that are used for similar checks conducted for the State Lottery. The investigation may include, but not be limited to, the following:

(1) An examination of any criminal or civil record.

(2) An examination of any personal, financial or business record, including tax return, bank account, business account, mortgage and contract to which the applicant is a party or has an interest.

(3) An examination of any personal or business relationship which may include a partial ownership or voting interest in a partnership, association or corporation which affects the fitness of the applicant.

(b) Contents of application.—In order to become a licensee, an applicant must produce such information, documentation and assurances as required by the commission or the director including, but not limited to, the following:

(1) The applicant must consent in writing and provide for the examination of all financial and business accounts, bank accounts, tax returns and related records in the applicant's possession or under the applicant's control which establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant and must authorize all third parties

in possession or control of any such accounts or records to allow for their examination as determined necessary by the commission or the director in conducting background investigations.

(2) The applicant must disclose on the application form any nonsummary criminal convictions covering the ten-year period immediately preceding the filing of the application. The applicant must also include on the application form any convictions of the gambling laws or statutes of this Commonwealth or any other jurisdiction to which the applicant was subject.

(3) If the applicant has conducted a gaming operation in a jurisdiction which permits such activity, the applicant must produce letters of reference from the gaming or casino enforcement or control agency which specify the experiences of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain these letters within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath, that during the period such activities were conducted, the applicant was in good standing with the appropriate gaming or casino enforcement or control agency.

(4) The applicant must provide such information, documentation and assurances as required by the commission or director to establish by clear and convincing evidence the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates covering the ten-year period immediately preceding the filing of the application.

(c) Acceptance of risk and waiver of liability.—

(1) An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss which may result from any disclosure or publication by a third party of any material or information requested by the commission or the director pursuant to action on the application.

(2) By submitting the application, the applicant shall be deemed to expressly waive any claim against the commission, the director or the Commonwealth and its employees from damages as a result thereof.

(d) Right to hearing.—Any person who is denied a license shall have the right to a hearing before the commission as set forth in this chapter.

§ 9224A. Licensing requirements.

The following requirements apply to the following types of licensees:

(1) A vendor shall:

(i) Be a resident of this Commonwealth for at least two years immediately prior to application, except where a vendor is a partnership, an association or a corporation. Where a vendor is a partnership, a majority of the partnership ownership interest must be held by residents domiciled in this Commonwealth at least two years immediately prior to application. The residency and domicile requirements shall be maintained during the entire period of licensure. Where a vendor is an association or a corporation, shareholders owning a majority of the stock in the corporation must be residents domiciled in this Commonwealth at least two years immediately prior to application. The residency and domicile requirements must be maintained during the entire period of licensure.

(ii) Be of good moral character and reputation in the community.

(iii) Be at least 18 years of age.

(iv) Be current in the payment of all taxes, interest and penalties owed to the Commonwealth and the political subdivisions thereof, excluding items under formal dispute or appeal under applicable law.

(v) Demonstrate sufficient financial resources to support the activities required to place and service video keno machines.

(2) A distributor shall:

(i) Be a resident of this Commonwealth for at least two years immediately prior to application, except where a

distributor is a partnership, an association or a corporation. Where a distributor is a partnership, a majority of the partnership ownership interest must be held by residents domiciled in this Commonwealth at least two years immediately prior to application. The residency and domicile requirements must be maintained during the entire period of licensure. Where a distributor is an association or a corporation, shareholders owning a majority of the stock in the corporation must be residents domiciled in this Commonwealth at least two years immediately prior to application. The residency and domicile requirements must be maintained during the entire period of licensure.

(ii) Be of good moral character and reputation in the community. Where a distributor is a partnership, an association or a corporation, this requirement shall apply to each member of the partnership and to any shareholder in the association or corporation who holds more than 10% of the stock in the association or corporation.

(iii) Be at least 18 years of age.

(iv) Be current in the payment of all taxes, interest and penalties owed to the Commonwealth and the political subdivisions thereof, excluding items under formal dispute or appeal under applicable law.

(v) Demonstrate sufficient financial resources to support the activities required to sell and service video keno machines.

(vi) Maintain and operate a coin machine distributor's office, sales and service staff within this Commonwealth.

(3) A manufacturer shall:

(i) Be of good moral character and reputation in the community. Where a distributor is a partnership, an association or a corporation, this requirement shall apply to each member of the partnership and to any shareholder in the association or corporation who holds more than 10% of the stock in the association or corporation.

(ii) Be at least 18 years of age.

(iii) Be current in the payment of all taxes, interest and penalties owed to the Commonwealth and the political subdivisions thereof, excluding items under formal dispute or appeal under applicable law.

(iv) Demonstrate sufficient financial resources to support the activities required to manufacture and sell video keno machines through a licensed distributor.

(4) The commission shall issue a license to any licensed establishment upon a showing that its liquor or retail dispenser's license is valid and is in good standing with the Pennsylvania Liquor Control Board.

§ 9225A. License fees.

Fees for licenses issued under this subchapter shall be as follows:

(1) The annual fee for a machine vendor's license shall be \$25,000. The annual fee includes licenses for 50 video keno machines. A license fee of \$500 shall be assessed for each video keno machine over the initial 50 licenses included within the annual machine vendor's license fee. No additional license fees shall be assessed if the licensed video keno machine is relocated during the license year to an approved licensed establishment within the same municipality.

(2) The annual fee for a distributor's license shall be \$25,000.

(3) The annual fee for a manufacturer's license shall be \$25,000.

(4) The annual fee for a licensed establishment shall be \$250 for each video keno machine. The licensed establishment shall not pay additional licensing fees if the video keno machines are replaced or changed during the license year, provided that the total number of video keno machines does not exceed the number of licenses held by the establishment.

§ 9226A. Prohibitions.

(a) Video keno machine parity.—No approved licensed establishment under this subchapter may operate more than one video keno machine unless every approved licensed establishment in this Commonwealth has at least one video keno machine. No licensed establishment shall have more than four video keno machines.

(b) License and fees.—No applicant may hold more than one type

of license as provided in section 9223A (relating to license required). Each licensee is responsible for payment of its license fee. Payment of the fee by a person, partnership or corporation other than the licensee is prohibited. A machine vendor licensee may sell used video keno machines that the licensee purchased, licensed and operated to other licensed vendors or distributors.

(c) Advertising.—No licensee shall be permitted to advertise gambling or use the word "gambling" in any promotional way, or in flyers or other forms of advertisement.

(d) Placement agreement.—No video keno machines may be placed in a licensed establishment unless the machine vendor and the licensed establishment have entered into a mutually agreed-upon written machine placement agreement for a minimum term of one year. A video keno machine owner may not offer or give any type of inducements or incentives to a licensed establishment to secure, maintain or renew a video keno machine placement agreement.

(e) Other conduct.—No person, partnership, association or corporation may sell, distribute, service, own, operate or place on location a video keno machine unless it is licensed pursuant to this subchapter and is in compliance with all requirements of this subchapter.

(f) Use by minors.—

(1) No minor may use or play a video keno machine. A minor who violates this subsection commits a summary offense.

(2) A licensed establishment in which a minor plays or uses a video keno machine, whether or not that licensed establishment is actually aware of the minor's age, commits a summary offense and shall, upon conviction, pay a fine of not more than \$5,000.

(3) The establishment of any of the following facts by a person allowing a minor to operate a video keno machine constitutes a defense to prosecution under this subsection:

(i) the minor falsely represented in writing that the minor was 21 years of age or older; or

(ii) the appearance of the minor was such that an ordinary person of prudent judgment would believe the minor to be 21 years of age or older.

§ 9227A. Machine characteristics.

(a) Central communications system.—The commission shall establish and procure a central communications system capable of monitoring and communicating with each licensed video keno machine.

(b) Specifications.—The commission shall approve a prototype video keno machine which includes hardware and software specifications. These specifications shall include, but not be limited to, the following:

(1) A video keno machine shall be linked with the lottery's central communications system to provide complete accounting and auditing information to eliminate any possibility of fraud.

(2) Unremovable identification plates shall appear on the exterior of the machine and shall contain the name of the manufacturer and the serial and model numbers of the video keno machine.

(3) The rules of play shall be displayed on the video keno machine face or screen as promulgated by the commission.

(4) A video keno machine may not directly dispense coins, cash, tokens or any other article of exchange or value except tickets. Such tickets shall be dispensed by pressing the ticket dispensing button on the video keno machine at the end of a turn or play. The ticket shall indicate the total amount of credits and the cash award, and the player shall turn in this ticket to the appropriate person at the licensed establishment to receive the cash award. The cost of the credit shall be 25¢ and the number of credits played per game shall not be more than eight credits. No cash award for any individual game shall exceed \$500.

(5) A video keno machine shall be designed and manufactured with total accountability, including gross proceeds, net profits, winning percentages and any other information the commission requires.

(6) A video keno machine shall have a minimum winning percentage of 80%.

(c) Enforcement.—The commission shall have primary enforcement responsibility for any illegal activities concerning video keno machines. The commission may engage an enforcement agent and personnel

necessary to ensure the integrity of video keno machines. The Pennsylvania State Police and local police may also enforce the provisions of this subchapter.

§ 9228A. Local Property Tax Reduction Fund.

There is hereby established a separate account in the State Treasury to be known as the Local Property Tax Reduction Fund. All fees and fines and the Commonwealth portion of net machine income generated from video keno shall be deposited in the fund.

§ 9229A. Distribution of net machine income.

The net machine income from each video keno machine shall be distributed as follows:

- (1) 30% to the licensed establishment.
- (2) 30% to the licensed vendor.
- (3) 40% to the Commonwealth for payment into the General Fund as set forth in section 9231A (relating to local property tax reduction).

§ 9230A. Commission costs.

The costs of the commission for the establishment, enforcement and operation of this subchapter may not exceed 7.5% of the total annual revenue derived from video keno, except in the first two years after the effective date of this subchapter, when the costs may not exceed 15% of the total revenues derived from video keno. Such costs may be paid from the fund.

§ 9231A. Local property tax reduction.

(a) General rule.—For the fiscal year commencing July 1, 2004, and each year thereafter, the commission shall transfer an amount equal to the net machine income under section 9229A(3) (relating to distribution of net machine income) to the General Fund for the purpose of reducing real property taxes in school districts.

(b) Allocation formula.—For the school year 2004-2005, and each school year thereafter, the Department of Education shall:

(1) Array the personal income valuation per average daily membership, equalized millage and school tax ratio of all school districts in rank order and assign each school district a discreet numerical rank for its personal income per average daily membership, its equalized millage and its school tax ratio. For the numerical rank of a school district's personal income per average daily membership, the school district with the lowest personal income per average daily membership shall have the highest numerical rank. For the numerical rank of a school district's equalized millage, the school district with the highest equalized millage shall have the highest numerical rank. For the numerical rank of a school district's school tax ratio, the school district with the highest school tax ratio shall have the highest numerical rank.

(2) Assign each school district a property tax reduction index as defined under subsection (d).

(3) Calculate the property tax reduction allocation for each school district by multiplying the average daily membership of the school district by the property tax reduction index of the school district and multiplying that product by \$295.

(4) Provide each school district with an amount equal to its property tax reduction allocation under paragraph (2) by August 15.

(c) Corresponding tax reduction.—Each board of school directors and the city council of a city of the first class shall reduce any real property taxes levied for the purpose of funding school district programs by providing a farmstead property exclusion and a homestead property exclusion under 53 Pa.C.S. § 8586 (relating to limitations) equal to the property tax reduction allocation received from the Commonwealth pursuant to subsection (b).

(d) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Average daily membership." The average daily membership of a school district shall be determined as required under section 2501 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Equalized millage." The equalized millage of a school district shall be determined as required under section 2501 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Personal income valuation." The personal income valuation of a school district as determined under section 2501 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Property tax reduction index." A quotient equal to the sum of the numerical rank of a school district's personal income per average daily membership, the numerical rank of its equalized millage and the numerical rank of its school tax ratio as assigned pursuant to subsection (b) divided by 1,000.

"School tax ratio." The personal income valuation of a school district divided by the total dollar value of revenue derived from any taxes levied by the school district for the school year two years prior to the school year in which payments under this section are made.

§ 9232A. Special exemptions.

(a) Local taxation and licensing fees.—Video keno machines and coin-operated amusement machines shall be exempt from taxes levied under the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act, the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government) and under any other statute which confers taxing authority to any political subdivision. The machines are also exempt from all local licensing fees.

(b) Gambling offense.—Video keno machines and their use are exempt from the provisions of section 5513 (relating to gambling devices, gambling, etc.).

(c) Federal law.—The General Assembly declares that the Commonwealth is exempt from section 2 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1172). Shipments of approved video keno machines into this Commonwealth in compliance with sections 3 and 4 of the Gambling Devices Transportation Act shall be deemed legal shipments into this Commonwealth.

Amend Sec. 5, page 37, lines 51 through 55 (A2402), by striking out all of said lines and inserting:

Section 5. Repeals are as follows:

(1) Sections 302 and 303 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, are repealed.

(2) 18 Pa.C.S. § 5513(a) is repealed insofar as it is inconsistent with the addition of 18 Pa.C.S. Ch. 92.

(3) All other acts and parts of acts are repealed insofar as they are inconsistent with the addition of 18 Pa.C.S. Ch. 92.

On the question,

Will the Senate agree to the amendment?

The PRESIDENT. The Chair recognizes the gentleman from Schuylkill, Senator Rhoades.

Senator RHOADES. Madam President, I think this is agreed to, right? Nobody is paying attention, okay.

Senator FUMO. Madam President, excuse me.

Senator RHOADES. Madam President, I thought this was agreed to.

Senator FUMO. Excuse me, Madam President.

Senator RHOADES. Madam President, this is a poor man's amendment or, as I like to call it, the Joe Six-pack frequent amendment. It is an amendment which would authorize four video keno machines at liquor license establishments in the Commonwealth of Pennsylvania and will designate a property tax reduction allocation formula to allocate a very conservative \$400 million in anticipated State revenues from the video keno machines. What it calls for is a State Lottery commission, very similar to what we have, it will require a computer linkage to computer central, similar to what we have at a racetrack. That is the other thing, this will not interfere with the tracks at all. These are in hometowns, where your bars are, where your American Legions are, where your VFWs are, where your fire companies are, because the firemen who cannot go to the tracks, they have to stay home to fight the fires, they will be able to sit at their local establishment and play their keno machine, if they want to, or the fellow after work can play it from there. It will provide

four keno machines, and prohibits anyone under 21 years of age from playing it, and if they do, there is a \$5,000 fine.

Our distribution is 30 percent for the licensed establishment, 30 percent for the licensed vendor, and 40 percent for the Commonwealth. Conservative estimates are that it would reduce the statewide reduction in residential property tax about 8.8 percent. That being said, too, the vendors, distributors, and manufacturers would charge an annual license at \$25,000 for the first 50 machines, \$500 for every machine thereafter. The licensed establishment will be charged an annual fee of \$250 per machine.

I think it is just, fair. As I said, these people do not have a million dollars, do not have the opportunity because they do not have tracks in their backyards or their bars. It would give the people who do not go to the tracks, do not look to go to the tracks, to be able, within their own home area, within their own town or township, to be able to visit their own bars, play their keno games there so there will not be competition with the video poker machines the tracks will have, and by the same token, it will add more money to the coffers for the Commonwealth, all for residential property tax. Why cannot the Elks, the Lions, the Legion, the Moose, all our nonprofit social clubs who do good civic service, be able to gain from this? That is money that they will have for their own club activities and for nonprofit activities in which they help their communities. And by the same token, \$400 million will come back to the Commonwealth to reduce our property tax. That being said, I ask for a positive vote.

Thank you, Madam President.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I rise to oppose this amendment. In the past, I have joined my colleague from Schuylkill County in support of this, but I think we pushed gaming expansion to the limit and I oppose this amendment.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I, too, ask for a negative vote on this amendment. Not that I am philosophically opposed, but it is late.

The PRESIDENT. The Chair recognizes the gentleman from Mercer, Senator Robbins.

Senator ROBBINS. Madam President, would the gentleman from Philadelphia, Senator Fumo, stand for interrogation?

Senator FUMO. Absolutely, Madam President.

Senator ROBBINS. Madam President, if this would go in, would that negate the \$50 million because this would be one of the reasons that they could get the rebate?

Senator FUMO. No, Madam President, because it would not apply in this particular instance.

Senator ROBBINS. Madam President, if it went in later on, after it was established, would it apply?

Senator FUMO. Madam President, it is a hypothetical question. I remember that procedural stuff, yes. It is a hypothetical question, and I do not think I am supposed to answer those.

If this goes in, will the gentleman vote for it?

Senator ROBBINS. Well, Madam President, we would have to see, but as I read the bill, this would be another one of those

issues that would possibly affect the revenues of the racetracks, and therefore they would get a refund of their \$50 million.

Senator Rhoades said he would vote for it if it went in.

Senator FUMO. I know, but it is going to take more than that.

Madam President, I would be glad to discuss any of these esoteric issues with anyone on that side of the aisle who would like to vote for any of this, but otherwise, I have to be honest and say, let us have a "no" vote and let us get on with this.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, I think this would be a motivation to make sure that you did not vote for this because you would save your \$50 million.

And the question recurring,

Will the Senate agree to the amendment?

The yeas and nays were required by Senator RHOADES and were as follows, viz:

YEA-1

Rhoades

NAY-48

Armstrong	Helfrick	Musto	Tartaglione
Boscola	Hughes	O'Pake	Thompson
Brightbill	Jubelirer	Orie	Tomlinson
Conti	Kasunic	Piccola	Wagner
Corman	Kitchen	Pileggi	Waugh
Costa	Kukovich	Punt	Wenger
Dent	LaValle	Rafferty	White, Donald
Earll	Lemmond	Robbins	White, Mary Jo
Erickson	Logan	Scarnati	Williams, Anthony H.
Ferlo	Madigan	Schwartz	Williams, Constance
Fumo	Mellow	Stack	Wonderling
Greenleaf	Mowery	Stout	Wozniak

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

The PRESIDENT. The bill will go over as amended.

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 4

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 623 (Pr. No. 2232) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for deceptive or fraudulent business practices; authorizing certain racetrack gaming; providing for disbursements of revenues; establishing the Pennsylvania Gaming Control Board and the State Gaming Fund; imposing fees; providing penalties; making repeals; and making an appropriation.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, it is nice to see the Democrats so happy over there. I have not seen them so happy since Senator Pecora came and joined them.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, they would be happy, too, if it was their first Supplemental Calendar.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Armstrong.

Senator ARMSTRONG. Madam President, let me speak on this bill. It is serious, and we have had some debate and we are still all friends, but I think everybody in this room, in their heart of hearts, knows this is bad public policy, and down the road I think we will see what happens when these slot parlors are implemented. Let me give an example though that maybe we can relate to. You know, we own all the State Stores in Pennsylvania. Can you imagine if someone walks in a door and they buy a fifth of vodka, go back out, come back in a couple days later and leave. The third day they come in, all of a sudden you recognize who they are, you know where they live, and you know everything about them. Then you call them on the phone and say, hey, I got a special down here, I am running two bottles of vodka for the price of one. Or, I will tell you what, I have some tickets here for you. If you want to go to the movie theater, come on down. We have some really good movie tickets for you or tickets to a show. We will take you to a show. Just come on down and buy some liquor from us. Or we will give you gifts, come on down and we will give you gifts. Or every time you buy something, the more you buy the more points we will give you, and you can get these points and exchange them for all kinds of things. But better yet, I will tell you what, we will send a limo to pick you up and bring you down to the store.

Well, if we ran our State Stores that way, the people would be up in arms, because when you do that, you are doing it for one purpose, you are trying to convert that person into an alcoholic. You are trying to hook him. You are trying to do something that gets him, so once he is dependent on it, then you have him, and he has to keep coming back. Well, that is what these slot parlors, these casinos do. They know who you are. You come in there, you play any amount of money and they know who you are. Then they have someone assigned to you. That person is assigned to you, they call you on the phone, they say, hey, come on down, we have this special, we will give you free meals, free place to stay, and they keep you coming back. The whole thing is designed to trap you. There are no windows in the facility because they do not want you looking out. They do not want you to know what time of day it is. There are no clocks in there, because they do not want you to know what time it is either. So the whole process is designed to make you dependent on them.

I did not know how serious this was. I thought, well, if somebody wants to gamble, that is up to them. You know, if you want to have some entertainment, go out and spend \$20, \$30, whatever you can afford for a night of entertainment, that is up

to you. But I will tell you what, if you want a real experience, go to a Gamblers Anonymous meeting. I was invited to one, and I will tell you what, you hear these gripping tales for 2, 2 1/2 hours. You talk about misery, you talk about heartache, you talk about destroyed lives, families, kids, businesses. This is not small potatoes. The average problem gambler goes in debt to the tune of \$200,000 to \$2 million. In that room were 25 people that night. The first gentleman started out and said, hi, my name is Joe D. I am a problem gambler. This is Monday night. He said yesterday afternoon I had a shotgun in my mouth with my thumb on the trigger. I am so far in debt, nobody knows I am gambling, my life is over. The next person comes up and talks and she is a lady who is 68 or 69 years old. She started going down to Atlantic City on the bus, and she kept going down. Her husband went with her for a little while, but he did not like playing the slots, but she kept going down and he thought, well, she is having a good time. Well, she wiped out their savings account and started bouncing bad checks. They had to remortgage their house, they have nothing. Now till they die, they will have nothing to live for. The one thing that lady said she is grateful for is that her husband stuck by her. There is one tale after another tale after another tale.

In my own area, we had a young man who was well respected in the community, well known. I saw his picture in the paper one day, sudden death. People said, I wonder what happened? Everybody knew the family. I wonder what happened? A couple weeks later, it started coming out. He had two young girls. He was a million and a half dollars in debt, and he lost everything. His wife, what is she going to have? She has to sell the house and everything she has left, and guess what? They are still calling. They are still calling her and inviting her down. They will send the limo for her to pick her up. That is what they are doing. It is an insidious group who just prey on people. They prey on your misery, they prey on your heartache, and here now in Pennsylvania we are becoming a part of it, and I just feel it is a shame. I ask for a "no" vote.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, there are a lot of things wrong with this world, addiction to gambling is one of them, addiction to drugs is one of them, alcoholism is another, there are tons of them. But whether or not we pass this bill tonight, as the gentleman said, they will send the limousine for that person. At least in this bill we have some safeguards, and granted, they are minimal as far as Gamblers Anonymous, but at least there is over a million and a half that is going to go in to try to help those same people in Pennsylvania who have this problem. Not everyone who walks into a casino is addicted to gambling. There are addictive personalities, some even say it is genetic. But, Madam President, we have to look at reality. Reality is that they can send that limo and it is not a long ride from the border of Pennsylvania to Atlantic City or to Delaware or to West Virginia. So you have to kind of put these things on a balance, on a scale.

I heard talk earlier this evening about the Lottery, about how horrible it was to watch working men and women in line waiting for their chance at life, and that they were the poor people. Well, on the other side of that equation, there are 220,000 senior citizens today making use of PACE and PACENET to get the

drugs that they need to stay alive. I will take that choice, to help 220,000 senior citizens live a life with the drugs that they need to stay alive, versus a line of 100 people buying a Lottery ticket. And if we did not have the Lottery, people would be going over the border to play in Delaware. I remember when Pennsylvania did not have a Lottery. They used to go over the bridge and play in New Jersey. And in addition to those 220,000 people, there are 330,000 households getting rent rebate checks and property tax rebate checks from the Lottery Fund. Yes, you could argue that even the slightest bit of gambling hurts society. But there was a gentleman who is now deceased whom I happened to like, his name was Barry Goldwater. He was a conservative guru, Republican candidate for President, who once said, and I always agreed with him, you cannot legislate morality. We are not going to be able to do it here.

While we were in the middle of the debate, one of the Senators went back into the back room on our computer and showed another Senator how to log on to gamble from the back of the Chamber with a credit card. That happens. It is going on. It is not 17 miles from Lebanon, it is in the living rooms and dining rooms and kitchens of every home in Pennsylvania, and we try to get our State wired so people can have even instant access. You cannot live people's lives. We are supposed to get off their backs. Society is imperfect, and as long as it is imperfect, we have to figure out how to deal with it. This bill will generate close to a billion dollars a year to lower real estate property taxes for people who are crying out for that. If in the process of doing that some of the people who are addicted to gambling already and may be going to Atlantic City might wind up at a racetrack, I cannot help that. I wish I could wave a magic wand and do away with the misery of humanity. I cannot do that, nobody can do that. But at some point in time, we have to be realistic.

There are a million anecdotal, sad stories about a million things that we have not been able to solve. And as I said earlier, there are a lot of people on death row because we made it a crime to commit murder. That did not prevent anybody from doing that. So I do not think tonight is a black moment in Pennsylvania's history. I do not think the Governor of Pennsylvania has to hang his head in shame. Slots at the racetrack are an issue that polls 72 percent positive among the residents of Pennsylvania, 72 percent of the people have made up their minds that this is what they want. They may be right, they may be wrong, but they have expressed themselves.

As far as the Indians who are worrying people in 25 homes, or whatever it is, I sent everybody a letter, I do not know if anybody read it, but it is an in-depth letter. We did not treat that issue lightly. We went out and hired a nationally recognized law firm to guide us on that. The Indians are here, yes, because they think we are going to have gambling. But this will be the only State that I have seen so far that has set up a process to make sure that it is not going to happen that easily and that it is going to be a deliberative process. In Pennsylvania now, because of this bill and because of this amendment, before any Indian tribe can negotiate with the Governor of this Commonwealth under the Federal law, and I ask you all to read your mail, I know I do not read mine either, but this one is quite in-depth, for those of you who feel this is an important issue, it says that before there can

even be any negotiation, there has to be a bill that passes the General Assembly outlining the terms of the negotiation. The Governor then can enter into negotiations. After that, there has to be public hearings on the issue and another bill has to go through the General Assembly that would ratify that agreement. No other State thought of that. We did. That is another groundbreaking area for Pennsylvania. If you are worried about those people with those homes up there, you should vote for that. I tried to offer that as a separate amendment, tried to do it in here, and you did not want to do it. Well, it is in here now. But if you vote for that, those 25 homes are safe, everybody is safe.

We have tried to do the best we can with this under difficult circumstances. Unfortunately, or fortunately, depending upon your viewpoint, the train is moving forward. We do not like the status quo. I am 60 years old now. When I was 50 I would have loved the status quo and never have grown older. We grow older and times change. And in the back of the Chamber, you can go in there with a credit card and gamble on anything you want to gamble, on the Internet, no taxes to us, no benefit to us, and you can do it on your credit card. In this bill, you cannot use your credit card. We have tried the best we can.

This is probably one of the best pieces of gambling legislation in the nation for safeguards and also for making the system work. We will forever disagree on certain moral issues. All I am saying is this is not a shameful thing we are doing tonight. This is a necessary thing we are doing tonight because of the competitiveness of the States around us. It is not something I like, and as I said earlier today, if gambling were still restricted to Las Vegas, I would be the last one before you today saying let us do this. I watched friends lose fortunes. I watched Leonard Tose, who was a friend, lose \$10 million at the tables. I watched another friend of mine, he had a yacht, a gorgeous fishing boat, the casinos would pay him to use his boat to fish plus give him a free dock. And I knew he was in trouble one year because he was ahead \$1,600,000. He went bankrupt as well, and he is now deceased. I have seen it happen, but nothing was going to prevent that. At least we are trying to do the best we can with the reality of life. This bill does that.

I ask for an affirmative vote so that we can get some good out of the evil that is already out there. It may not be the greatest thing in the world, and this may not be a religious experience, but it is reality. And in the process we are going to put 15,000 people to work in good jobs so that they can feed their families, get off welfare and get off unemployment. Yes, we might have 500 or 1,000 people addicted to gaming. We will have 15,000 people employed and we will have probably a million or more people getting property tax relief. Everything is a risk, everything is a risk, and there are no easy solutions to life. That is why we are here. It is not easy, but it is our job to do what is right.

Madam President, I ask for an affirmative vote.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-27

Boscola	Hughes	Musto	Thompson
Conti	Kasunic	O'Pake	Tomlinson
Costa	Kitchen	Pileggi	Wagner
Earll	Kukovich	Schwartz	Williams, Anthony H.
Erickson	LaValle	Stack	Williams, Constance
Ferlo	Logan	Stout	Wozniak
Fumo	Mellow	Tartaglione	

NAY-22

Armstrong	Jubelirer	Punt	Wenger
Brightbill	Lemmond	Rafferty	White, Donald
Corman	Madigan	Rhoades	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Greenleaf	Orie	Scarnati	
Helfrick	Piccola	Waugh	

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

UNFINISHED BUSINESS**BILLS REPORTED FROM COMMITTEE**

Senator LEMMOND, from the Committee on State Government, reported the following bills:

SB 506 (Pr. No. 1041) (Amended)

An Act authorizing and directing the Department of General Services, with the approval of the Governor, to grant and convey certain tracts of land situate in Cecil Township, Washington County.

SB 819 (Pr. No. 985)

An Act authorizing and directing the Department of General Services, with the approval of the Governor, to transfer jurisdiction and control from the Department of General Services to the Department of Conservation and Natural Resources, of certain lands situate in the City of Philadelphia, Philadelphia County; and authorizing and directing the Department of General Services, with the approval of the Governor, to grant and convey to the Philadelphia Authority for Industrial Development a tract of land situate in the City of Philadelphia, Philadelphia County.

SB 846 (Pr. No. 1033)

An Act authorizing the release of Project 70 restrictions imposed on certain lands owned by the Township of Willistown, Chester County, and imposing Project 70 restrictions on certain lands being conveyed to the township.

SB 850 (Pr. No. 1042) (Amended)

An Act authorizing the City of Scranton and Redevelopment Authority of the City of Scranton, Lackawanna County, to transfer, sell and convey certain Project 70 lands free of restrictions imposed by the Project 70 Land Acquisition and Borrowing Act.

SENATE RESOLUTION ADOPTED

Senators GREENLEAF, MOWERY, ORIE, COSTA, KITCHEN, ERICKSON, WAUGH, SCARNATI, SCHWARTZ, KUKOVICH, LOGAN, FERLO, BRIGHTBILL, ARMSTRONG, WAGNER, DENT, EARLL, LEMMOND, WENGER, TARTAGLIONE, CONTI, BOSCOLA, O'PAKE, RAFFERTY, WONDERLING, THOMPSON, LAVALLE and STACK, by unanimous consent, offered **Senate Resolution No. 115**, entitled:

A Resolution recognizing the week of August 3 through 9, 2003, as "Spinal Muscular Atrophy Week" in Pennsylvania.

On the question

Will the Senate adopt the resolution?

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Greenleaf.

Senator GREENLEAF. Madam President, I rise to offer a resolution that designates August 3 through 9 as Spinal Muscular Atrophy Awareness Week. This is the leading genetic killer of children under the age of 2, and I ask that we call attention to this disease and offer our support.

And the question recurring,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

CONGRATULATORY RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Congratulations of the Senate were extended to Mr. and Mrs. Trueman Earl Rockey, Mr. and Mrs. Raymond M. Barrick, Mr. and Mrs. Craig K. Swigart, Linda E. Rice, Emily A. Lepley and to Delores W. Stephens by Senator Corman.

Congratulations of the Senate were extended to Frank Polito by Senators Costa and Wagner.

Congratulations of the Senate were extended to Phoebe Ministries of Allentown by Senators Dent and Boscola.

Congratulations of the Senate were extended to the Wilksburg Fire Department by Senator Ferlo.

Congratulations of the Senate were extended to Mr. and Mrs. Allen O. Lundberg by Senator Greenleaf.

Congratulations of the Senate were extended to Mr. and Mrs. Wayne M. Fausey, Mr. and Mrs. Anthony Billas, Phillip Clayton Pecora, Helen Buchinski, Francis J. Viglietta and to Anthony J. Rosini by Senator Helfrick.

Congratulations of the Senate were extended to Gerry Moen by Senator Hughes.

Congratulations of the Senate were extended to Mr. and Mrs. Robert Weyant, Mr. and Mrs. Paul G. Cassarly, Dorothy Dodd, Timothy Patrick Miller, John Q. Showalter and to the Bellwood-Antis High School Baseball Team by Senator Jubelirer.

Congratulations of the Senate were extended to William M. Fish, Jeff Vogel and to OMNOVA Solutions, Inc., of Jeannette by Senator Kukovich.

Congratulations of the Senate were extended to Mr. and Mrs. Thomas E. Ritter, Sr., Mr. and Mrs. Robert Hess, Mr. and Mrs. Edward Creveling, Mr. and Mrs. Isaac Koch, Sr., Mr. and Mrs. Frank Merschbach and to William Paul Parsons by Senator Madigan.

Congratulations of the Senate were extended to Stephen Lazur by Senator Mowery.

Congratulations of the Senate were extended to Christopher Donald Worton by Senator Musto.

Congratulations of the Senate were extended to Mr. and Mrs. Dale Harvey, Mr. and Mrs. Roland Herb, Katherine Stewart, Glenda Kostlich, Haley Wojdowski and to Sister Clementine Matiba by Senator Orie.

Congratulations of the Senate were extended to Thomas S. Heflybower by Senator Piccola.

Congratulations of the Senate were extended to Dr. John M. Doherty by Senator Pileggi.

Congratulations of the Senate were extended to Joseph Albert Tumas and to Rose M. Sacco by Senator Rhoades.

Congratulations of the Senate were extended to Robert L. Green by Senator Scarnati.

Congratulations of the Senate were extended to Cheltenham Elementary School by Senator Schwartz.

Congratulations of the Senate were extended to The Meadows by Senator Stout.

Congratulations of the Senate were extended to Mr. and Mrs. Francis P. Bonner and to Mr. and Mrs. Joseph Gary Baumeister by Senator Wagner.

Congratulations of the Senate were extended to Michael Taccino and to Kevin King by Senator D. White.

Congratulations of the Senate were extended to H. Eugene Burns by Senator M.J. White.

Congratulations of the Senate were extended to Gwendolyn Barringer Price by Senator A.H. Williams.

Congratulations of the Senate were extended to Mr. and Mrs. Lester Choyce by Senator Wonderling.

Congratulations of the Senate were extended to Mr. and Mrs. James Schellhammer, Mr. and Mrs. George W. Bellock, Mr. and Mrs. Edward Walat, Mr. and Mrs. Michael Fecko and to Dusty Jones Boulton by Senator Wozniak.

CONDOLENCE RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Condolences of the Senate were extended to the family of the late Nicole Marie Renaud, to the family of the late Richard Leroy Casserly and to the family of the late William J. Kessler, Sr., by Senator Orie.

Condolences of the Senate were extended to the family of the late Vivian A. Gumby-Murray by Senator Piccola.

BILLS ON FIRST CONSIDERATION

Senator RAFFERTY. Madam President, I move that the Senate do now proceed to consideration of all bills reported from committees for the first time at today's Session.

The motion was agreed to by voice vote.

The bills were as follows:

SB 506, SB 818, SB 819, SB 846 and SB 850.

And said bills having been considered for the first time, Ordered, To be printed on the Calendar for second consideration.

COMMUNICATIONS FROM THE GOVERNOR

NOMINATIONS REFERRED TO COMMITTEE

The PRESIDENT laid before the Senate the following communications in writing from His Excellency, the Governor of the Commonwealth, which were read as follows and referred to the Committee on Rules and Executive Nominations:

MEMBER OF THE BOARD OF TRUSTEES OF DANVILLE STATE HOSPITAL

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Gregory Wisloski, 520 Webster Street, Ranshaw 17866, Northumberland County, Twenty-seventh Senatorial District, for appointment as a member of the Board of Trustees of Danville State Hospital, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice Ginny McNeil, Paxinos, resigned.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA FISH AND BOAT COMMISSION

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Ross J. Huhn, (District 2), R.D. 3 Box 156, Saltsburg 15681, Westmoreland County, Forty-first Senatorial District, for reappointment as a member of the Pennsylvania Fish and Boat Commission, to serve for a term of eight years or until his successor is appointed and qualified, but not longer than six months beyond that period.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA FISH AND BOAT COMMISSION

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, William J. Sabatose, (District 3), Keystone Road, Box 294-C, Brockport 15823, Elk County, Twenty-fifth Senatorial District, for appointment as a member of the Pennsylvania Fish and Boat Commission, to serve for a term of eight years or until his successor is appointed and qualified, but not longer than six months beyond that period.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA HISTORICAL
AND MUSEUM COMMISSION

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Robert W. Cranmer, P.O. Box 98316, Pittsburgh 15227, Allegheny County, Forty-second Senatorial District, for appointment as a member of the Pennsylvania Historical and Museum Commission, to serve until the third Tuesday of January 2007, and until his successor is appointed and qualified, vice Allen Wenger, Hershey, whose term expired.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
LEHIGH COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Jerry Snyder, Esquire, 135 North Main Street, Allentown 18104, Lehigh County, Sixteenth Senatorial District, for appointment as Judge of the Court of Common Pleas of Lehigh County, to serve until the first Monday of January 2004, vice The Honorable James Knoll Gardner, resigned.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
NORTHAMPTON COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Michael J. Koury, Jr., Esquire, 300 North 14th Street, Easton 18042, Northampton County, Twenty-fourth Senatorial District, for appointment as Judge of the Court of Common Pleas of Northampton County, to serve until the first Monday of January 2004, vice The Honorable Robert E. Simpson, Jr., resigned.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
PIKE COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Michael E. Weinstein, Esquire, 613 Fifth Street, Milford 18337, Pike County, Twentieth Senatorial District, for appointment as Judge of the Court of Common Pleas of Pike County, to serve until the first Monday of January 2004, vice The Honorable Harold A. Thomson, Jr., resigned.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
WASHINGTON COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Mark Edward Mascara, Esquire, 3 Wilmont Avenue, Washington 15301, Washington County, Forty-sixth Senatorial District, for appointment as Judge of the Court of Common Pleas of Washington County, to serve until the first Monday of January 2004, vice The Honorable Thomas D. Gladden, mandatory retirement.

EDWARD G. RENDELL
Governor

MEMBER OF THE PENNSYLVANIA MINORITY
BUSINESS DEVELOPMENT AUTHORITY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Mary V. Lawton, 7167 Ogontz Avenue, Philadelphia 19138, Philadelphia County, Fourth Senatorial District, for appointment as a member of the Pennsylvania Minority Business Development Authority, to serve until June 2, 2008, and until her successor is appointed and qualified, vice Mary Ellen Griffin, Whitehall, whose term expired.

EDWARD G. RENDELL
Governor

MEMBER OF THE STATE BOARD
OF PSYCHOLOGY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Karen Edelstein, 315 South Lawrence Court, Philadelphia 19106, Philadelphia County, First Senatorial

District, for appointment as a member of the State Board of Psychology, to serve until June 5, 2005, or until her successor is appointed and qualified, but not longer than six months beyond that period, vice Gerrian Miller Bobrowsky, Ph.D., Pittsburgh, resigned.

EDWARD G. RENDELL
Governor

MEMBER OF THE DELAWARE COUNTY
BOARD OF ASSISTANCE

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Thomas Papi, (Republican), 122 East Parkway Avenue, Chester 19013, Delaware County, Ninth Senatorial District, for appointment as a member of the Delaware County Board of Assistance, to serve until December 31, 2005, and until his successor is appointed and qualified, add to complement.

EDWARD G. RENDELL
Governor

MEMBER OF THE NORTHUMBERLAND COUNTY
BOARD OF ASSISTANCE

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Stephen Minker, (Democrat), 1630 West Lynn Street, Coal Township 17866, Northumberland County, Twenty-sixth Senatorial District, for appointment as a member of the Northumberland County Board of Assistance, to serve until December 31, 2005, and until his successor is appointed and qualified, add to complement.

EDWARD G. RENDELL
Governor

**RECALL COMMUNICATIONS
REFERRED TO COMMITTEE**

The PRESIDENT laid before the Senate the following communications in writing from His Excellency, the Governor of the Commonwealth, which were read as follows and referred to the Committee on Rules and Executive Nominations:

JUDGE, COURT OF COMMON PLEAS,
LEHIGH COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 21, 2003, for the appointment of Jerry Snyder, Esquire, 135 North Main Street, Allentown 18104, Lehigh County, Sixteenth

Senatorial District, as Judge of the Court of Common Pleas of Lehigh County, to serve until the first Monday of January 2004, vice The Honorable James Knoll Gardner, resigned.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
NORTHAMPTON COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 21, 2003, for the appointment of Michael J. Koury, Jr., Esquire, 300 North 14th Street, Easton 18042, Northampton County, Twenty-fourth Senatorial District, as Judge of the Court of Common Pleas of Northampton County, to serve until the first Monday of January 2004, vice The Honorable Robert E. Simpson, Jr., resigned.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
PIKE COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 21, 2003, for the appointment of Michael E. Weinstein, Esquire, 613 Fifth Street, Milford 18337, Pike County, Twentieth Senatorial District, as Judge of the Court of Common Pleas of Pike County, to serve until the first Monday of January 2004, vice The Honorable Harold A. Thomson, Jr., resigned.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

JUDGE, COURT OF COMMON PLEAS,
WASHINGTON COUNTY

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated April 21, 2003, for the appointment of Mark Edward Mascara, Esquire, 3 Wilmont Avenue, Washington 15301, Washington County, Forty-sixth Senatorial District, as Judge of the Court of Common Pleas of Washington County, to serve until the first Monday of January 2004, vice The Honorable Thomas D. Gladden, mandatory retirement.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

**MEMBER OF THE PENNSYLVANIA MINORITY
BUSINESS DEVELOPMENT AUTHORITY**

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated June 6, 2003, for the appointment of Livia H. Smith, 930 E. 18th Street, Chester 19013, Chester County, Ninth Senatorial District, as a member of the Pennsylvania Minority Business Development Authority, to serve until June 2, 2008, and until her successor is appointed and qualified, vice Mary Ellen Griffin, Whitehall, whose term expired.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

**MEMBER OF THE STATE BOARD
OF PSYCHOLOGY**

June 25, 2003

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In accordance with the power and authority vested in me as Governor of the Commonwealth, I do hereby recall my nomination dated June 10, 2003, for the appointment of Stephanie Moore, 40 Red Barberry Drive, Etters 17319, York County, Fifteenth Senatorial District, as a member of the State Board of Psychology, to serve until June 5, 2005, or until her successor is appointed and qualified, but not longer than six months beyond that period, vice Gerrian Miller Bobrowsky, Ph.D., Pittsburgh, resigned.

I respectfully request the return to me of the official message of nomination on the premises.

EDWARD G. RENDELL
Governor

HOUSE MESSAGES

HOUSE CONCURS IN SENATE BILLS

The Clerk of the House of Representatives returned to the Senate **SB 630, 631, 632, 633, 634 and 635**, with the information the House has passed the same without amendments.

BILLS SIGNED

The PRESIDENT (Lieutenant Governor Catherine Baker Knoll) in the presence of the Senate signed the following bills:

SB 630, SB 631, SB 632, SB 633, SB 634 and SB 635.

ADJOURNMENT

The PRESIDENT. The Chair recognizes the gentleman from Lebanon, Senator Brightbill.

Senator BRIGHTBILL. Madam President, I move that the Senate do now adjourn until Monday, June 30, 2003, at 2 p.m., Eastern Daylight Saving Time.

The motion was agreed to by voice vote.

The Senate adjourned at 11:59 p.m., Eastern Daylight Saving Time.