

COMMONWEALTH OF PENNSYLVANIA
Legislative Journal

THURSDAY, JULY 1, 2004

SESSION OF 2004 188TH OF THE GENERAL ASSEMBLY

No. 45

SENATE

THURSDAY, July 1, 2004

The Senate met at 8:15 p.m., Eastern Daylight Saving Time.

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

PRAYER

The Chaplain, Reverend CARL VINING, of House of Judah Ministries, Montgomery, offered the following prayer:

Dear kind, heavenly Father, we approach You one more time as we come and call upon You for Your grace and Your mercy. Father, You see the task that is at hand and it is no light task, but it is one that requires wisdom and diligence on behalf of the Senate of this fine Commonwealth. So, we ask for Your divine direction, Your order to come, Father God, that the Commonwealth would be one that would be pleasing in Your sight.

Father, we are asking You to guide and direct every thought, every decision that is made concerning this budget, so it can be done in a timely manner and one that You in heaven would be pleased with, that Your will in heaven would be done on this earth.

Father, we ask now that You would bless and refurbish the bodies, replenish the bodies that are tired, the physical man, Father God, for this long night. We ask, O God, Your mercy and kindness to come upon everyone, from the Senate, to the staff, to the President of the Senate, and bless our troops and bring peace in the Middle East, we pray. In Jesus' name. Amen.

The PRESIDENT. The Chair thanks Reverend Vining, who is the guest today of Senator Madigan and Senator Greenleaf.

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 30, 2004.

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.

COMMUNICATIONS FROM THE 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:

CONTROLLER, CHESTER COUNTY

July 1, 2004

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 1, 2004, for the appointment of Ray White, 714 Westridge Gardens Way, Phoenixville 17460, Chester County, Nineteenth Senatorial District, as Controller, in and for the County of Chester, to serve until the first Monday of January 2006, vice Carol T. Aichele, resigned.

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

EDWARD G. RENDELL
Governor

**MEMBER OF THE PENNSYLVANIA DRUG,
DEVICE AND COSMETIC BOARD**

July 1, 2004

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 30, 2004, for the appointment of Sam Cohn, 491 Hillside Drive, Mountville 17554, Lancaster County, Thirty-sixth Senatorial District, as a member of the Pennsylvania Drug, Device and Cosmetic Board, to serve for a term of four years or until his successor is appointed and qualified, but not longer than six months beyond that period, vice Keldeen Stambaugh, Harrisburg, whose term expired.

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

EDWARD G. RENDELL
Governor

SHERIFF, WASHINGTON COUNTY

July 1, 2004

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 2, 2004, for the appointment of Stephanie Moore, 40 Red Barberry Drive, Etters 17319, York County, Fifteenth Senatorial District, as Sheriff, in and for the County of Washington, to serve until the first Monday of January 2006, vice Larry Maggi, resigned.

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 EXAMINERS
IN SPEECH-LANGUAGE AND HEARING

July 1, 2004

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 28, 2004, for the appointment of Nora Peterman, 4634 Larchwood Avenue, Philadelphia 19143, Philadelphia County, Eighth Senatorial District, as a member of the State Board of Examiners in Speech-Language and Hearing, to serve until September 29, 2006, and until her successor is appointed and qualified, but not longer than six months beyond that period, vice Michele Wallace, Mount Wolf, resigned.

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

EDWARD G. RENDELL
Governor

TREASURER, JEFFERSON COUNTY

July 1, 2004

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 2, 2004, for the appointment of B.J. Clark, 611 East Darby Road, Havertown 19083, Delaware County, Seventeenth Senatorial District, as Treasurer, in and for the County of Jefferson, to serve until the first Monday of January 2006, vice Paul Corbin, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE ADAMS COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Sam Cohn, 491 Hillside Drive, Mountville 17554, Lancaster County, Thirty-sixth Senatorial District, as a member of the Adams County Board of Assistance, to serve until December 31, 2004, and until his successor is appointed and qualified, vice Carole Wolf-Siliezar, Hanover, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE BRADFORD COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Nina Tinari, 6401 Church Road, Philadelphia 19151, Philadelphia County, Seventh Senatorial District, as a member of the Bradford County Board of Assistance, to serve until December 31, 2004, and until her successor is appointed and qualified, vice John Brenchley, Canton, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE CARBON COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Stephanie Moore, 40 Red Barberry Drive, Etters 17319, York County, Fifteenth Senatorial District, as a member of the Carbon County Board of Assistance, to serve until December 31, 2006, and until her successor is appointed and qualified, vice William Shirar, Lehighton, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE CENTRE COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Stephanie Moore, 40 Red Barberry Drive, Etters 17319, York County, Fifteenth Senatorial District, as a member of the Centre County Board of Assistance, to serve until December 31, 2006, and until her successor is appointed and qualified, vice, Paul Houck, State College, deceased.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE MCKEAN COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of B.J. Clark, 611 East Darby Road, Havertown 19083, Delaware County, Seventeenth Senatorial District, as a member of the McKean County Board of Assistance, to serve until December 31, 2004, and until his successor is appointed and qualified, vice Marcia Shuman, Rixford, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE MCKEAN COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Sam Cohn, 491 Hillside Drive, Mountville 17554, Lancaster County, Thirty-sixth Senatorial District, as a member of the McKean County Board of Assistance, to serve until December 31, 2004, and until his successor is appointed and qualified, vice Shirley Reed, Eldred, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE MERCER COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of B.J. Clark, 611 East Darby Road, Havertown 19083, Delaware County, Seventeenth Senatorial District, as a member of the Mercer County Board of Assistance, to serve until December 31, 2004, and until his successor is appointed and qualified, vice Janet McDougall, Grove City, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE MERCER COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Stephanie Moore, 40 Red Barberry Drive, Etters, 17319, York County, Fifteenth Senatorial District, as a member of the Mercer County Board of Assistance, to serve until December 31, 2005, and until her successor is appointed and qualified, vice David Immonen, Greenville, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE MERCER COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Nora Peterman, 4634 Larchwood Avenue, Philadelphia 19143, Philadelphia County, Eighth Senatorial District, as a member of the Mercer County Board of Assistance, to serve until December 31, 2005, and until her successor is appointed and qualified, vice Walter Matthews, Sharon, resigned.

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

EDWARD G. RENDELL
Governor

MEMBER OF THE UNION COUNTY
BOARD OF ASSISTANCE

July 1, 2004

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 30, 2004, for the appointment of Nora Peterman, 4634 Larchwood Avenue, Philadelphia 19143, Philadelphia County, Eighth Senatorial District, as a member of the Union County Board of Assistance, to serve until December 31, 2005, and until her successor is appointed and qualified, vice W. Earl Dieffenderfer, Lewisburg, resigned.

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

EDWARD G. RENDELL
Governor

DISTRICT JUSTICE

July 1, 2004

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 30, 2004, for the appointment of Nora Peterman, 4634 Larchwood Avenue, Philadelphia 19143, Philadelphia County, Eighth Senatorial District, as District Justice, in and for the County of Washington, Magisterial District 27-1-02, to serve until the first Monday of January 2006, vice Ronald Amati, 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 AMENDMENTS TO HOUSE BILL

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to **HB 2512**.

SENATE BILLS RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate **SB 137** and **SB 1139**, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT. Pursuant to Senate Rule XIV, section 5, these bills will be referred to the Committee on Rules and Executive Nominations.

SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Consent has been given for the Committee on Judiciary to meet in the Rules room during today's Session to consider the nomination of Leonard N. Zito to be a judge of the court of common pleas of Northampton County.

LEGISLATIVE LEAVE

The PRESIDENT. The Chair recognizes the gentleman from Berks, Senator O'Pake.

Senator O'PAKE. Madam President, I request a legislative leave for Senator Tartaglione.

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

CALENDAR

HB 2330 CALLED UP OUT OF ORDER

HB 2330 (Pr. No. 3251) -- 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 2330 (Pr. No. 3251) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for the duties of the Pennsylvania State Police regarding criminal history background reports for persons participating in harness or horse racing.

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

TOMLINSON AMENDMENT A3055

Senator TOMLINSON offered the following amendment No. A3055:

Amend Title, page 1, lines 1 through 3, by striking out all of said lines and inserting:

Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, authorizing certain racetrack and other gaming; providing for regulation of gaming licensees; establishing and providing for the powers and duties of the Pennsylvania Gaming Control Board; conferring powers and imposing duties on the Department of Revenue, the Department of Health, the Office of Attorney General, the Pennsylvania State Police and the Pennsylvania Liquor Control Board; establishing the State Gaming Fund, the Pennsylvania Race Horse Development Fund, the Pennsylvania Gaming Economic Development and Tourism Fund, the Compulsive Problem Gambling Treatment Fund and the Property Tax Relief Fund; providing for enforcement; imposing penalties; making appropriations; and making related repeals.

Amend Bill, page 1, lines 6 through 18; page 2, lines 1 through 15, by striking out all of said lines on said pages and inserting:

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

**PART II
GAMING**

Chapter

- 11. General Provisions
- 12. Pennsylvania Gaming Control Board
- 13. Licensees
- 14. Revenues
- 15. Administration and Enforcement
- 19. Miscellaneous Provisions

**CHAPTER 11
GENERAL PROVISIONS**

Sec.

- 1101. Short title.
- 1102. Legislative intent.
- 1103. Definitions.

**CHAPTER 11
GENERAL PROVISIONS**

§ 1101. Short title.

This part shall be known and may be cited as the Pennsylvania Race Horse Development and Gaming Act.

§ 1102. Legislative intent.

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

(1) The primary objective of this part to which all other objectives and purposes are secondary is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) The authorization of limited gaming by the installation and operation of slot machines as authorized in this part is intended to enhance live horse racing, breeding programs, 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 property tax relief, wage tax reduction, 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 improve the living and working conditions of personnel who work and reside in and around the stable and backside areas of race-tracks.

(5) The authorization of limited gaming is intended to provide broad economic opportunities to the citizens of this Commonwealth and shall be implemented in such a manner as to prevent possible monopolization by establishing reasonable restrictions on the control of multiple licensed gaming facilities in this Commonwealth.

(6) The authorization of limited gaming is intended to enhance the further development of the tourism market throughout this Commonwealth, including, but not limited to, year-round recreational and tourism locations in this Commonwealth.

(7) Participation in limited gaming authorized under this part 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 with assistance and information necessary to assure that the policies declared by this part are achieved.

(8) Strictly monitored and enforced control over all limited gaming authorized by this part shall be provided through regulation, licensing and appropriate enforcement actions of specified locations, persons, associations, practices, activities, licensees and permittees.

(9) Strict financial monitoring and controls shall be established and enforced by all licensees or permittees.

(10) The public interest of the citizens of this Commonwealth and the social effect of gaming shall be taken into consideration in any decision or order made pursuant to this part.

(11) It is necessary to maintain the integrity of the regulatory control and legislative oversight over the operation of slot machines in this Commonwealth; to prevent the actual or appearance of corruption that may result from large campaign contributions; ensure the bipartisan administration of this part; and avoid actions that may erode public confidence in the system of representative government.

§ 1103. Definitions.

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

"Affiliate" or "affiliated company." A person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

"Applicant." Any person, officer, director or key employee, who on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under the provisions of this part. In cases in which the applicant is a corporation, foundation, organization, business trust, estate, limited liability company, trust, partnership, limited partnership, association or any other form of legal business entity, the Pennsylvania Gaming Control Board shall determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

"Approved," "approval" or "approve." When used in reference to an application submitted to the State Horse Racing Commission or the State Harness Racing Commission to conduct harness or thoroughbred race meetings, or the Pennsylvania Gaming Control Board to authorize and regulate the placement and operation of slot machines, the terms refer to the date that an application to the State Horse Racing Commission, State Harness Racing Commission or the board is granted regardless of the pendency of any administrative or judicial appeals or other legal action challenging the decision of either commission or the board.

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming, including linking devices which connect to progressive slot machines or slot machines, replacement parts, equipment which affects the proper reporting of gross revenue, computerized systems for controlling and monitoring slot machines, including, but not limited to, the central control computer and devices for weighing or counting money.

"Authority." An authority created by the Commonwealth which purchases State gaming receipts under section 1202 (relating to general and specific powers).

"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this part. The investigation shall include the status of taxes owed to the United States and 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 kitchens, recre-

ation halls, backside employee quarters and training tracks, 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 enclosures and walking rings.

"Board." The Pennsylvania Gaming Control Board established under section 1201 (relating to Pennsylvania Gaming Control Board established).

"Bonds." Bonds, notes, instruments, refunding notes and bonds and other evidences of indebtedness or obligations, which an authority issues to fund the purchase of State gaming receipts.

"Bureau." The Bureau of Investigations and Enforcement of the Pennsylvania Gaming Control Board.

"Central control computer." A central site computer controlled by the Department of Revenue and accessible by the Pennsylvania Gaming Control Board to which all slot machines communicate for the purpose of auditing capacity, real-time information retrieval of the details of any financial event that occurs in the operation of a slot machine, including, but not limited to, coin in, coin out, ticket in, ticket out, jackpots, machine door openings and power failure, and remote machine activation and disabling of slot machines.

"Cheat." To alter without authorization the elements of chance, method of selection or criteria which determine:

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

The term does not include altering for required maintenance and repair.

"Commission" or "commissions." The State Horse Racing Commission or the State Harness Racing Commission, or both as the context may require.

"Controlling interest." A person shall be deemed to have the ability to control a publicly traded corporation, or to elect one or more of the members of its board of directors, if such holder owns or beneficially holds 5% or more of the securities of such publicly traded domestic or foreign corporation, partnership, limited liability company or any other form of legal entity, unless such presumption of control or ability to elect is rebutted by clear and convincing evidence. A person who is a holder of securities of a privately held domestic or foreign corporation, partnership, limited liability company or any other form of legal entity shall be deemed to possess a controlling interest unless such presumption of control is rebutted by clear and convincing evidence.

"Conviction." A finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held. The term does not include a conviction that has been expunged, overturned or for which an individual has been pardoned or an order of Accelerated Rehabilitative Disposition.

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

"Financial backer." An investor, mortgagee, bond holder, note holder, or other sources of equity or capital provided to an applicant or licensed entity.

"Fund." The State Gaming Fund established under section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

"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 or computer machine technicians.
- (7) Security personnel.
- (8) Surveillance personnel.
- (9) Supervisors and managers.

The term includes employees of a person holding a supplier's license whose duties are directly involved with the repair or distribution of slot machines and associated equipment sold or provided to the licensed facility within this Commonwealth as determined by the Pennsylvania

Gaming Control Board. The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverages, clerical or secretarial personnel, parking attendants, janitorial, stage, sound and light technicians and other nongaming personnel as determined by the board.

"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 which are 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 or currency of other countries which are received in slot machines, except to the extent that they are readily convertible to United States 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.

"Horsemen of this Commonwealth." A thoroughbred or standard-bred horse owner or trainer who enters and runs his or her horse at a licensed racing entity in the current or prior calendar year and meets the requirements of the horsemen's organization of which he or she is a member to participate in the receipt of benefits therefrom; or an employee of a trainer who meets the requirements of the horsemen's organization of which he or she is a member to participate in the receipt of benefits therefrom.

"Horsemen's organization." A trade association which represents the majority of owners and trainers who own and race horses at a licensed racetrack.

"Institutional investor." Any retirement fund administered by a public agency for the exclusive benefit of Federal, State, or local public employees; investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.); collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency; closed end investment trust; chartered or licensed life insurance company or property and casualty insurance company; banking and other chartered or licensed lending institution; investment advisor registered under The Investment Advisors Act of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.); and such other persons as the Pennsylvania Gaming Control Board may determine consistent with this part.

"Issued," "issuance" or "issue." When used in reference to an application submitted to the State Horse Racing Commission or the State Harness Racing Commission to conduct harness or thoroughbred race meetings, or the Pennsylvania Gaming Control Board to authorize the placement and operation of slot machines, the terms refer to the date when a determination by the commissions or the board approving an application brought before the agencies becomes final, binding and nonappealable and is not subject to a pending legal challenge.

"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 manager of the licensed facility, director of slot operations, director of cage and/or credit operations, director of surveillance, director of marketing, 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 or department heads report, and such other positions which the Pennsylvania Gaming Control 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 employees.

"Licensed entity." Any slot machine licensee, manufacturer licensee, supplier licensee or other person licensed by the Pennsylvania Gaming Control Board under this part.

"Licensed facility." The physical land based location and associated areas at which a licensed gaming entity is authorized to place and operate slot machines.

"Licensed gaming entity" or "slot machine licensee." A person that holds a slot machine license pursuant to this part.

"Licensed racetrack" or "racetrack." The physical facility and grounds where a person has obtained a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct live thoroughbred or harness race meetings respectively with pari-mutuel wagering. The term "racetrack" or "its racetrack" shall mean the physical land based location at which live horse racing is conducted even if not owned by the person.

"Licensed racing entity." Any legal entity that has obtained a license to conduct live 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 act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.

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

"Municipality." A city, borough, incorporated town or township.

"Net terminal revenue." The net amount of the gross terminal revenue less the tax and assessments imposed by sections 1402 (relating to gross terminal revenue deductions), 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution), 1405 (relating to Pennsylvania Race Horse Development Fund) and 1407 (relating to Pennsylvania Gaming Economic Development and Tourism Fund).

"Nonprimary location." Any facility in which pari-mutuel wagering is conducted by a licensed racing entity other than the racetrack where live racing is conducted.

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

"Permittee." A holder of a permit issued pursuant to this part.

"Person." Any natural person, corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or any other form of legal business entity.

"Progressive payout." A slot machine wager payout that increases in a monetary amount based on the amounts wagered in a progressive system.

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered.

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

"Revenue or tourism enhanced location." Any location within this Commonwealth determined by the Pennsylvania Gaming Control Board, in its discretion, which will maximize net revenue to the Commonwealth or enhance year-round recreational tourism within this Commonwealth, in comparison to other proposed facilities and is otherwise consistent with the provisions of this part and its declared public policy purposes.

"Security." As defined in the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972.

"Slot machine." Any mechanical or electrical contrivance, terminal, machine or other device 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 skill or application of the element of chance, or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine or other device to receive cash, billets, tickets, tokens or electronic credits to be exchanged for cash or to receive merchandise or anything of value whatsoever, whether the pay-

off 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.
- (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 the contrivance, terminal, machine or other device.

"Slot machine license." A license issued by the Pennsylvania Gaming Control Board authorizing a person to place and operate slot machines pursuant to this part and the rules and regulations under this part.

"Slot machine licensee." A person that holds a slot machine license.

"State gaming receipts." Revenues and receipts required by this part to be paid into the State Gaming Fund, the Pennsylvania Race Horse Development Fund and the Pennsylvania Gaming Economic Development and Tourism Fund, and all rights, existing on the effective date of this section or coming into existence later, to receive any of those revenues and receipts.

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

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine or associated equipment for use or play of slot machines 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.

CHAPTER 12

PENNSYLVANIA GAMING CONTROL BOARD

Sec.

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§ 1201. Pennsylvania Gaming Control Board established.

(a) Board established.—There is 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, each being referred to as a "gubernatorial appointee."
- (2) One member appointed by each of the following legislative caucus leaders, each being referred to as a "legislative appointee":
 - (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.

(c) Initial appointments to board.—

(1) Gubernatorial appointee members initially appointed under subsection (b)(1) shall serve an initial term of one, two and three years respectively as designated by the Governor at the time of appointment, and until their successors are appointed and qualified.

(2) Legislative appointee members initially appointed under subsection (b)(2) shall serve until the third Tuesday in January 2007 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 existence of a vacancy of a member appointed pursuant to subsection (c) or this subsection, the appointing authority shall appoint a member subject to the following:

(1) For a gubernatorial appointment under subsection (b)(1), the term shall be for three years and until a successor is appointed and qualified.

(2) Terms for legislative appointee members appointed under subsection (b)(2) shall be for a two-year term and shall expire on the third Tuesday of January of such year but such members shall continue to serve until their successors are appointed and qualified.

(3) No legislative appointee member shall serve more than three full successive terms.

(4) No gubernatorial appointee member shall serve more than two full successive terms.

(5) An appointment to fill a vacancy shall be for the remainder of the unexpired term.

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

(f) Qualified majority vote.—

(1) Except as permitted in paragraphs (2) and (3), any action, including, but not limited to, the approval, issuance, denial or conditioning of any license by the board under this part or the making of any order or the ratification of any permissible act done or order made by one or more of the members shall require a qualified majority vote consisting of at least one gubernatorial appointee and the four legislative appointees.

(2) Any action to suspend or revoke, not renew, void or require forfeiture of a license or permit issued under this part, to impose any administrative fine or penalty under this part, or to issue cease and desist orders or similar enforcement actions shall require a majority vote of all the members appointed to the board.

(3) Notwithstanding any other provision to the contrary, a member shall disclose the nature of his disqualifying interest, disqualify himself and abstain from voting in a proceeding in which his or her impartiality may be reasonably questioned, including, but not limited to, instances where he or she knows that they possess a substantial financial interest in the subject matter of the proceeding or any other interest that could be substantially affected by the outcome of the proceeding. In such circumstances in which it is a legislative appointee member that has disqualified himself or herself, the qualified majority shall consist of the remaining three legislative appointees and at least two gubernatorial appointees.

(g) Background investigation.—Appointees shall be subject to a background investigation conducted by the Pennsylvania State Police in accordance with this part.

(h) Qualifications and restrictions.—

(1) Each member, at the time of appointment, shall be at least 25 years of age and shall have been a resident of this Commonwealth for a period of at least one year immediately preceding appointment. Each member shall continue to remain a resident of this Commonwealth during the term of membership on the board.

(2) Except for ex officio members, no person shall be appointed a member of the board or hold any place, position or office under the board if that person holds any other elected office or party office as defined in section 1512 (relating to public official financial interest) in this Commonwealth or any of its political subdivisions.

(3) No member, appointee, employee or official shall hold any office or employment position, the duties of which are incompatible with the duties of the office.

(4) No member, 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. Nothing in this part shall prohibit a member from engaging in any employment or vocation, or receiving any compen-

sation for such employment or vocation that is not otherwise connected to or incompatible with his or her service as a member of the board.

(6) No member, employee, appointee or official shall participate in any hearing or proceeding in which that person has any direct or indirect pecuniary interest.

(7) At the time of appointment, and annually thereafter, each member shall disclose the existence of all ownership interests in licensed facilities and all securities in any licensed entity or applicant, its affiliates or subsidiaries held by the member, the member's spouse and any minor or unemancipated children and must divest such ownership interests in licensed facilities or securities prior to an appointment becoming final. A member may not acquire any security in any licensed entity, its affiliates or subsidiaries during the member's tenure. The 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 at the office of the board during the normal business hours of the board during the tenure of the member and for two years after the member leaves office.

(8) Every member, employee, appointee or official of the board, 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 applicant, licensed entity, its affiliate, intermediary, subsidiary, holding company 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 the applicant, licensed entity, its affiliate, intermediary, subsidiary or holding company.

(9) Every member, executive level employee, appointee or official appointed to office in the service of or in connection with the work of the board is prohibited from accepting employment with any applicant, licensed gaming entity, its affiliate, intermediary, subsidiary or holding company for a period of one year from the termination of employment or service with the board. Every member, executive level employee, appointee or official appointed to office in the service of or in connection with the work of the board is prohibited from appearing before the board on behalf of any applicant, licensed gaming entity, its affiliate, intermediary, subsidiary or holding company, or other licensee or permittee of the board for a period of two 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 the person from the office or employment, and the person shall be ineligible for future employment or service with the board and shall be ineligible to be approved for any license or permit under this part for a period of two years thereafter.

(11) No member or employee of the board shall wager or be paid any prize from any wager at any licensed facility within this Commonwealth or at any other facility outside this Commonwealth which is owned or operated by a licensed gaming entity or any of its affiliates or subsidiaries.

(12) A member of the board who has been convicted during his term in any domestic or foreign jurisdiction of a felony, crime of moral turpitude or gambling offense shall be automatically removed from the board and shall be ineligible to become a board member in the future.

(i) Compensation.—The Executive Board as established in the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, shall establish the compensation of the members appointed pursuant to this section. Members shall be reimbursed for all necessary and actual expenses.

(j) Chairman.—The chairman of the board shall be selected by the Governor.

(k) Appointments.—The appointing authorities shall make their initial appointments within 60 days of the effective date of this part. No appointment shall be final until receipt by the appointing authority of the required background investigation of the appointee by the Pennsylvania State Police which shall be completed within 30 days. No person who has been convicted in any domestic or foreign jurisdiction of a felony or gambling offense shall be appointed to the board.

(l) 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. § 1202. General and specific powers.

(a) General powers.—The board shall have general jurisdiction over all gaming activities or related activities as described in this part. The board shall be responsible to ensure the integrity of the acquisition and operation of slot machines and associated equipment and shall have jurisdiction over every aspect of the authorization and operation of slot machines. The board shall employ an executive director, chief counsel, deputies, secretaries, officers, hearing officers and agents as it may deem necessary, who shall serve at the board's pleasure. The board shall also employ other employees as it deems appropriate whose duties shall be determined by the board. In order to ensure the ability of the board to recruit and retain individuals necessary to execute its responsibilities under this part, the board shall set the classification and compensation of its employees and shall not 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 its employees and conduct its activities consistent with the practices and procedures of Commonwealth agencies. For the purposes of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the board shall not be considered an executive or independent agency. The board shall have such other powers and authority necessary to carry out its duties and the objectives of this part.

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

(1) To require background investigations on prospective or existing licensees, permittees or persons holding a controlling interest in any prospective or existing licensee or permittee under the jurisdiction of the board.

(2) To enter into an agreement with the Pennsylvania State Police for the reimbursement of actual costs as approved by the board to the Pennsylvania State Police for the investigations. Investigations shall include information in the possession of the Attorney General.

(3) For purposes of the background investigation, the board may receive information otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

(4) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of slot machine licenses.

(5) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of supplier and manufacturer licenses.

(6) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of occupation permits.

(7) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of any additional licenses or permits which may be required by the board under this part or by regulation, including, but not limited to, violations of sections 1328 (relating to change in ownership or control of slot machine licensee) and 1330 (relating to multiple slot machine license prohibition).

(8) At its discretion, to suspend, condition or deny the issuance or renewal of any license or permit or levy fines or other sanctions for any violation of this part.

(9) To require applicants for licenses and permits to submit to fingerprinting by the Pennsylvania State Police. The Pennsylvania State Police shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the applicants and obtaining records of criminal arrests and convictions.

(10) 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 directly or indirectly any services or property related to slot machines or associated equipment or 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 part and the regulations of the

board and may prohibit the person from furnishing the services or property.

(11) As a board and through 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.

(12) Within two years of the effective date of this part, to develop and implement an affirmative action plan to assure that all persons are accorded equality of opportunity in employment, and contracting by the board, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

(13) Except for contracts related to the central control computer and such other contracts as the board, in consultation with the Secretary of General Services, determines would result in substantial savings to the board if entered into for a longer period than provided herein, all contracts entered into by the board during the two-year period following the effective date of this part shall not exceed a term of two years.

(14) To promulgate rules and regulations the board deems necessary to carry out the policy and purposes of this part and to enhance the credibility and the integrity of the licensed operation of slot machines and associated equipment in this Commonwealth.

(15) The board shall not issue or renew a license or permit unless it is satisfied that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or 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 thereto.

(16) Notwithstanding any other provision of law, the board is authorized, to sell, in whole or in part, the Commonwealth's right, title and interest in State gaming receipts to an authority created by the Commonwealth. The sale shall be subject to the terms and conditions contained in agreements between the board and the authority. Proceeds from the sale of State gaming receipts shall be allocated and used in the manner otherwise provided by this part for the distribution of State gaming receipts. The authority created by the Commonwealth is authorized to purchase State gaming receipts upon terms and conditions agreed to by the board and to issue bonds to fund the purchase of State gaming receipts in the manner provided for the issuance of authority indebtedness in the law establishing the authority. The State Treasurer is authorized and directed to enter into any agreements with the board and the authority and establish accounts and funds, that shall not be in the State Treasury, as the authority may direct as being necessary or appropriate to effect the sale of State gaming receipts to the authority and the collection and transfer of the State gaming receipts sold to the authority. State gaming receipts sold to the authority shall be the property of the authority and shall not be the property of the Commonwealth.

(17) To create a Bureau of Investigations and Enforcement within the board. The board shall promulgate regulations pertaining to the operation of the bureau which shall insure separation of functions between the bureau and the board. The board shall provide the employees necessary to the bureau for enforcement of this part.

(18) To enter into an agreement with the district attorneys of the counties wherein licensed facilities are located and the Office of Attorney General for the reimbursement of actual costs for prosecutions of criminal violations of this part.

§ 1203. Temporary regulations.

(a) Promulgation.—Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of this part, regulations promulgated by the board during the two years following the effective date of this part shall be deemed temporary regulations which shall expire no later than three years following the effective date of this part or upon promulgation of regulations as generally provided by law. The temporary regulations shall not be subject to:

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

Law.

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

(b) Expiration.—The authority provided to the board to adopt temporary regulations in subsection (a) shall expire two years from the effective date of this section. Regulations adopted after the two-year period shall be promulgated as provided by law.

§ 1204. Licensed entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision of the board involving the approval, issuance, denial or conditioning of all licensed entity applications. Notwithstanding the provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to direct appeals from government agencies), the Supreme Court shall affirm all final orders, determinations or decisions of the board involving the approval, issuance, denial or conditioning of all license entity applications unless it shall find that the board committed an error of law, or that the order, determination or decision of the board was arbitrary and there was a capricious disregard of the evidence.

§ 1205. License or permit application hearing process.

The board's consideration and resolution of all license or permit applications shall be conducted in accordance with procedures adopted by order of the board. Notwithstanding the mandates of 2 Pa.C.S. §§ 504 (relating to hearing and record) and 505 (relating to evidence and cross-examination), said procedures adopted by order of the board shall provide parties before it with a documentary hearing, but the board may, at its discretion, resolve disputed material facts without conducting an oral hearing, where constitutionally permissible.

§ 1206. Board minutes and records.

(a) 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 documents relative to personal background information provided to the board pursuant to this part and any closed deliberations of the board, including disciplinary proceedings, shall be confidential and considered in closed executive session pursuant to subsection (f).

(b) Record of proceedings.—The board shall cause to be made and kept a record of all proceedings held at public meetings of the board. A verbatim transcript of those proceedings shall be prepared by the board upon the request of any board member or upon the request of any other person and the payment by that person of the costs of preparation.

(c) Information delivered to Governor and General Assembly.—A true copy of the minutes of every meeting of the board and of any regulations finally adopted by the board, may be forthwith delivered, by and under the certification of the executive director, to the Governor, the Secretary of the Senate and the Chief Clerk of the House of Representatives.

(d) Applicant information.—

(1) The board shall keep and maintain a list of all applicants for licenses and permits under this part together with a record of all actions taken with respect to the applicants, which file and record shall be open to public inspection.

(2) Information under paragraph (1) regarding any applicant whose license or permit has been denied, revoked, or not renewed shall be removed from such list after seven years from the date of the action.

(e) Other files and records.—The board shall maintain such other files and records as it may deem appropriate.

(f) Confidentiality of information.—All information contained in the application process pursuant to section 1310(a) (relating to slot machine license application character requirements) and the report of an applicant's background investigation furnished to or obtained by the board or the bureau from any source shall be considered confidential and shall be withheld from public disclosure in whole or in part, except that any information shall be released upon the lawful order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency or shall be released to the public, in whole or in part, to the extent that such release is requested by an applicant and does not otherwise contain confidential information

about another person. The board may not require any applicant to waive any confidentiality provided for in this subsection as a condition for the approval of a license or any other action of the board. Any person who violates this subsection shall be administratively disciplined by discharge, suspension or other formal disciplinary action as the board deems appropriate.

(g) Notice.—Notice of the contents of any information, except to a duly authorized law enforcement agency pursuant to this section, shall be given to any applicant or licensee in a manner prescribed by the rules and regulations adopted by the board.

(h) Information held by department.—Files, records, reports and other information in the possession of the department pertaining to licensees shall be made available to the board as may be necessary to the effective administration of this part.

§ 1207. Regulatory authority of board.

The board shall have the power, and its duties shall be to:

(1) Deny, deny the renewal, revoke, condition or suspend any license or permit provided for in this part if the board finds in its sole discretion that a licensee or permittee under this part, or its officers, employees or agents, have furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license or permit.

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

(3) Prescribe and require periodic financial reporting and internal control requirements for all licensed entities.

(4) 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 require, which information shall be submitted not later than 60 days after the end of the licensee's fiscal year.

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

(6) Prescribe criteria and conditions for the operation of slot machine progressive systems.

(7) Enforce prescribed hours for the operation of slot machines so that slot machine licensees may operate slot machines on any day during the year, in order to meet the needs of patrons or to meet competition.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines.

(9) Establish procedures for the inspection and certification of compliance of each slot machine and associated equipment prior to being placed into use by a slot machine licensee.

(10) Require that no slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof.

(11) Require each slot machine license applicant to provide detailed site plans of its proposed licensed facility which shall be reviewed and approved by the board for the purpose of determining the adequacy of the proposed security and surveillance measures inside and outside the facility. Applicants will cooperate with the board in making changes to the plans suggested by the board and will ensure that the plans, as modified and approved, are implemented.

(12) Upon request, provide background investigation reports of applicants for licenses and permits for use at racetracks to the State Horse Racing Commission and the State Harness Racing Commission.

(13) Require slot machine licensees to provide onsite facilities

for use by the board, and other appropriate persons, for the purpose of carrying out their respective responsibilities under this part.

(14) Consult with members of the Pennsylvania State Police, the Office of Attorney General, the department and such other persons it deems necessary for advice regarding the various aspects of the powers and duties imposed on it under this part and its jurisdiction over the authorization and operation of slot machines and licensed facilities.

(15) Enter into contracts with any person for the purposes of carrying out the powers and duties of the board under this part.

(16) Require each slot machine licensee to sell Pennsylvania State Lottery tickets at its licensed facility at a location as near as practicable to the pay windows.

(17) Permit, in its discretion and upon application, the use of a temporary facility within which slot machines may be available for play or operation at a licensed gaming facility, for a period not to exceed 24 months, provided that upon good cause shown, the board may extend permission to operate a temporary facility for an additional 12-month period.

§ 1208. Collection of fees and fines.

The board has the following powers and duties:

(1) To levy and collect fees from the various applicants, licensees and permittees to fund the operations of the board. The fees shall be deposited into the State Gaming Fund as established in section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution). In addition to the fees set forth in sections 1209 (relating to slot machine license fee) and 1305 (relating to Category 3 slot machine license), the board shall assess and collect fees as follows:

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

(ii) Manufacturer licensees shall pay a fee of \$50,000 upon the issuance of a license and \$25,000 for the annual renewal of a manufacturer license.

(iii) Each application for a slot machine license, supplier license or manufacturer license must be accompanied by a nonrefundable fee set by the board for the cost of 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.

(2) To provide for the assessment and collection of fines and penalties for violations of this part. All fines and penalties shall be credited for deposit to the General Fund. Two years following enactment of this part, the board shall have the authority to increase each year any fee, charge, cost or administrative penalty, but not any criminal fine or penalty, provided in this part 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.

§ 1209. Slot machine license fee.

(a) Imposition.—Except as provided for a Category 3 licensed gaming entity under section 1305 (relating to Category 3 slot machine license) and subject to the requirements of this section, at the time of license issuance the board shall impose a one-time slot machine license fee to be paid by each successful applicant in the amount of \$50,000,000 for each category of slot machine license.

(b) Term.—A slot machine license, after payment of the fee, shall be in effect unless suspended, revoked or not renewed by the board upon good cause consistent with the license requirements as provided for in this part. Slot machine licensees shall be required to update the information in their initial applications annually, and 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 the

tax imposed by section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution) is increased at any time during the term of ten years following the initial issuance of the slot machine license, the slot machine licensee shall be entitled to a credit against subsequent payment of 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 1403, but shall not extend beyond the ten-year period following the initial issuance of the license. The aggregate amount of all credits provided 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 explicitly setting forth the terms and conditions of this credit and which also specifically incorporates the requirements of subsection (f).

(d) 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.

(e) Change of ownership or control of a license.—In the event that the ownership or control of a slot machine licensee or its affiliate, intermediary, subsidiary or holding company is changed as described in section 1328 (relating to change in ownership or control of slot machine licensee), the new owner shall be entitled to the full remaining amount of the credit set forth in subsection (c) or the return of the license fee in accordance with subsection (f) as if the new owner or controlling interest was the original licensee.

(f) Return of slot machine license fee.—

(1) The entire one-time slot machine license fee of \$50,000,000 for each Category 1 and 2 slot machine license shall be returned to each licensee, in the event the composition of the board established in section 1201 (relating to Pennsylvania Gaming Control Board established) or 1202 (relating to general and specific powers) is amended or otherwise altered by an act of the General Assembly within five years following the initial issuance of all slot machine licenses pursuant to section 1301 (relating to authorized slot machine licenses) to change:

- (i) the number, voting powers or members of the board;
- (ii) the manner in which members are nominated or appointed to the board;
- (iii) the length of term for which each member serves;
- (iv) the general jurisdiction of the board in a manner that impairs or otherwise reduces the board's licensing authority; or
- (v) section 1307 (relating to number of slot machine licenses) to increase the statutory maximum number of permissible licensed facilities.

(2) In the event that this part is amended or otherwise altered by an act of the General Assembly as described herein:

- (i) In the sixth year following the initial issuance of all slot machine licenses pursuant to section 1301, a Category 1 and 2 slot machine licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$41,666,667.
- (ii) In the seventh year, the licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$33,333,334.
- (iii) In the eighth year, the licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$25,000,000.
- (iv) In the ninth year, the licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$16,666,668.
- (v) In the tenth year, the licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$8,333,334.

In the event that the action described in paragraph (1) occurs after the expiration of ten years, the licensee shall not be entitled to a return of any portion of the one-time slot machine license fee. Notwithstanding the foregoing, no slot machine licensee shall be entitled to the return of any portion of the fee as a result of any act of the General Assembly insofar as it implements a recommendation made by the board pursuant to a qualified majority vote. In the event a full or partial return of the slot machine license fee imposed pursuant to subsection (a) becomes

due pursuant to this subsection, the amount to be returned to any slot machine licensee shall be reduced on a dollar-for-dollar basis by the total accumulated tax credits granted to such licensee pursuant to subsection (c). In no event shall the total amount of the slot machine license fee returned, combined with the total tax credits granted, exceed the amounts set forth in this subsection for any licensee. The total or partial return of the slot machine license fee shall extinguish a licensee's right to claim any further tax credits pursuant to subsection (c).

§ 1210. Number of slot machines.

(a) Initial complement.—Except as provided for Category 3 slot machine licensees under section 1305 (relating to Category 3 slot machine license), all slot machine licensees shall be permitted to operate up to 3,000 slot machines at any one licensed facility and shall be required to operate and make available to play a minimum of 1,500 machines at any one licensed facility within one year of the issuance by the board of a slot machine license, unless otherwise extended by the board, upon application and for good cause shown, for an additional period not to exceed 24 months.

(b) Additional slot machines.—Except as provided for Category 3 slot machine licensees under section 1305, six months following the date of commencement of slot machine operations, the board may permit a slot machine licensee to install and operate up to 2,000 additional slot machines at its licensed facility, beyond those machines authorized under subsection (a), 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 located and the convenience of the public attending the facility. The board may also take into account the potential benefit to economic development, employment and tourism, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

§ 1211. Reports of board.

(a) Report of board.—Eighteen months after the effective date of this part and every year on that date thereafter, the board shall issue a report to the Governor and each member of the General Assembly on the general operation of the board and each slot machine licensee's performance, including, but not limited to, number and win per slot machine at licensed facilities during the previous year, 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 of the hearings and other information that the board deems necessary and appropriate.

(b) Report of the Legislative Budget and Finance Committee.—No later than March 15 of the year following the effective date of this part and each March 15 thereafter, the Legislative Budget and Finance Committee shall issue a report to the General Assembly analyzing the impact, if any, of this part on the State Lottery.

(c) Interception of gaming winnings.—The board shall conduct a study to determine the feasibility of implementing methods for the interception of the gaming winnings of individuals who are delinquent support obligors or tax delinquent. The study shall be completed by December 31, 2006, and shall contain recommendations which the board determines appropriate.

§ 1212. Diversity goals of board.

(a) Intent.—It is the intent and goal of the General Assembly that the board promote and ensure diversity in all aspects of the gaming activities authorized under this part. The board shall work to enhance the representation of diverse groups in the ownership, participation and operation of licensed entities and licensed facilities in this Commonwealth and through the ownership, participation and operation of business enterprises associated with or utilized by licensed entities and licensed facilities and through the provision of goods and services utilized by slot machine licensees under this part.

(b) Investigations.—The board is authorized to investigate and conduct an annual study to ascertain whether effective and meaningful action has been taken or will be taken to enhance the representation of diverse groups in the ownership, participation and operation of licensed facilities in this Commonwealth and through the ownership and operation of business enterprises associated with or utilized by slot machine licensees, through the provision of goods and services utilized by slot machine licensees and through employment opportunities.

(c) Completion of investigation.—The first study shall be completed

six months following the effective date of this part, if practically possible, and annually thereafter, and shall contain recommendations which the board determines appropriate.

§ 1213. License or permit prohibition.

No applicant for a license or permit under this part, including directors, owners and key employees, that has been convicted, in any jurisdiction, of a felony or gambling offense within the past 15 years, shall be issued a license or permit under this part or be found qualified to serve in a position as a director, owner or key employee of or associated with any licensee or permittee.

CHAPTER 13
LICENSEES

Sec.

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§ 1301. Authorized slot machine licenses.

There shall be three distinct classifications of slot machine licenses, designated by category, each permitting a licensed racing entity or person to apply for a qualifying license category and, upon issuance by the board, in its discretion, to place and operate slot machines at a licensed facility. Except for conditional Category 1 license applications pursuant to section 1315 (relating to conditional Category 1 license), it is mandatory that the board shall consider, approve, condition or deny the approval of all initial applications for each and every category of slot machine licenses collectively and together, in a comprehensive State-wide manner, within 12 months following the time set by the board at which all applications are to be filed and deemed complete by the board. The board shall approve, condition or deny the issuance of a slot machine license of any category within the time period provided for herein. Following approval of an application for a slot machine license, the applicant shall provide formal notification to the board as soon as:

- (i) it fulfills all required conditions for issuance of the license; and
- (ii) the board's decision approving the application is a final, binding, nonappealable determination which is not subject to a pending legal challenge.

Upon receipt of such formal notification and upon conducting any necessary verification, the board shall issue a slot machine license to the applicant.

§ 1302. Category 1 slot machine license.

(a) Eligibility.—A person may be eligible to apply for a Category 1 license to place and operate slot machines at a licensed racetrack

facility if the person:

(1) has been issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering and has conducted live horse races for not less than two years immediately preceding the effective date of this part;

(2) has been approved or issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering within 18 months immediately preceding the effective date of this part and will successfully conduct live racing pursuant to the requirements of section 1303 (relating to additional Category 3 slot machine license requirements); or

(3) has been approved by the State Harness Racing Commission, after the effective date of this part, to conduct harness race meetings with pari-mutuel wagering and will conduct live racing pursuant to the requirements of section 1303.

(4) Is a successor in interest to persons eligible under paragraph (1), (2) or (3) who comply with the requirements of section 1328 (relating to change in ownership or control of slot machine licensee) or is a successor in interest to persons otherwise eligible under paragraph (1), (2) or (3) but precluded from eligibility under the provisions of section 1330.

Nothing in this part shall be construed to permit the approval or issuance of more than one slot machine license at a licensed racetrack facility.

(b) Location.—A Category 1 license may only be issued to an eligible person authorizing slot machine operations at the particular licensed racetrack facility identified in the application. No Category 1 licensed facility shall be located within 20 linear miles of another Category 1 licensed facility.

§ 1303. Additional Category 1 slot machine license requirements.

(a) Eligibility.—In addition to the criteria prescribed in section 1302 (relating to Category 1 slot machine license) an applicant for a Category 1 slot machine license shall be eligible for a license to place and operate slot machines at a licensed facility only if the applicant meets one of the following criteria:

(1) the licensed racing entity or its predecessor owner of the licensed racetrack has conducted live horse races for not less than two years immediately preceding the effective date of this part; or

(2) the licensed racing entity has not previously conducted live racing at a racetrack but will conduct live racing for a minimum of 150 days to begin in the year which begins two years following the issuance of its slot machine license for the racetrack unless the appropriate commission determines, upon application, that it is not practically feasible for the licensed racing entity to conduct live racing for a minimum of 150 days due to projected or actual weather conditions. Failure to meet the required minimum number of days will result in immediate suspension of the slot machine license.

(b) Required racing days.—Except as provided in subsection (a)(2), a Category 1 slot machine licensee must conduct live racing at the racetrack for at least 100 days per calendar year for each license held by the licensed racing entity pursuant to the Race Horse Industry Reform Act and the aggregate number of live racing days at the racetrack where the Category 1 slot machine licensee conducts live racing shall not be less than 95% of the total number of horse or harness racing days that were scheduled in 1986 at that racetrack. If a racing day is canceled for reasons beyond the control of the licensed racing entity, the appropriate commission shall grant the licensee 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.

(c) Limitations.—The issuance of a Category 1 slot machine license shall entitle the licensee to operate slot machines only within the grounds of a licensed racetrack.

(d) Authorization.—Authorization for a Category 1 slot machine licensee to continue the operation of slot machines shall be limited to those 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 racing entity conducts live racing.

(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 Category 1 slot machine licensee conducts live racing and the aggregate number of live racing days at the racetrack where the Category 1 slot machine licensee conducts live racing shall not be less than 95% of the total number of horse or harness racing days that were scheduled in 1986 at that racetrack. A new licensee which opens a new racetrack and which will successfully conduct live racing for a minimum of 150 days to begin no later than in the year which begins two years following the issuance of its slot machine license for the racetrack, unless the appropriate commission determines, upon application, that it is not practically feasible for the licensed racing entity to conduct live racing for a minimum of 150 days due to projected or actual weather conditions, shall be allowed to operate slot machines, from the date its slot machine license is issued and intrastate and interstate simulcast in accordance with the Race Horse Industry Reform Act, from the first day of the calendar year in which it conducts live racing days.

(3) Unless the horsemen's organization representing a majority of the owners and trainers consents to a lower number of required racing days at the racetrack, 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 racing entity conducts live racing, except for thoroughbred tracks on the day designated as A Breeder's Cup event day, when the licensed racing entity shall hold a minimum of five live races. The Category 1 slot machine licensee 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 organization 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 at racetracks shall be granted provided that the Category 1 slot machine licensee has continued to conduct live racing in accordance with paragraphs (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, 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 organization 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 distributed to licensed racing entities from the operation of slot machines under this part. Nothing in this part shall exempt an existing or future licensed racetrack from the requirements of the Race Horse Industry Reform Act requiring a licensed corporation to have a written and unexpired live racing agreement with the horsemen's organization representing a majority of owners and trainers at the racetrack where the licensed corporation conducts or will conduct live racing dates in order to continue or commence any form of simulcasting.

(5) Notwithstanding any other provision of the law to the contrary, account wagers, authorized pursuant to section 218(b) of the Race Horse Industry Reform Act, shall only be accepted by a licensed corporation in accordance with the provisions of the Race Horse Industry Reform Act and no entity that is not a licensed corporation under that act shall accept an account wager from any person within this Commonwealth.

§ 1304. Category 2 slot machine license.

(a) Eligibility.—A person may be eligible to apply for a Category 2 license if the applicant, its affiliate, intermediary, subsidiary or holding company is not otherwise eligible to apply for a Category 1 license and the person is seeking to locate a licensed facility in a city of the first class, a city of the second class or a revenue or tourism enhanced location. It shall not be a condition of eligibility to apply for a Category 2 license to obtain a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering.

(b) Location.—Two Category 2 licensed facilities, and no more, shall be located by the board within a city of the first class and one

Category 2 licensed facility, and no more, shall be located by the board within a city of the second class. No Category 2 licensed facility located by the board within a city of the first class shall be within ten linear miles of a Category 1 licensed facility, regardless of the municipality where the Category 1 licensed facility is located. Except for any Category 2 licensed facility located by the board within a city of the first class or a city of the second class, no Category 2 licensed facility shall be located within 30 linear miles of any Category 1 licensed facility that has conducted over 200 racing days per year for the two calendar years immediately preceding the effective date of this part and not within 20 linear miles of any other Category 1 licensed facility. Except for any Category 2 licensed facility located by the board within a city of the first class, no Category 2 licensed facility shall be located within 20 linear miles of another Category 2 licensed facility.

§ 1305. Category 3 slot machine license.

(a) Eligibility.—A person may be eligible to apply for a Category 3 license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or 2 license, and the person is seeking to locate a Category 3 licensed facility in a well established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round recreational guest amenities. The applicant for a Category 3 license shall be the owner or be a wholly owned subsidiary of the owner of the established resort hotel. A Category 3 license may only be granted upon the express condition that an individual may not enter a gaming area of the licensee if the individual is not a registered overnight guest of the established resort hotel or if the individual is not a patron of one or more of the amenities provided by the established resort hotel.

(b) Location.—No Category 3 license shall be located by the board within 15 linear miles of another licensed facility.

(c) Number of slot machines.—Notwithstanding the number of permissible slot machines as set forth in section 1210 (relating to number of slot machines), a Category 3 license granted under the provisions of this section shall entitle the licensed entity to operate no more than 500 slot machines at the licensed facility.

(d) Category 3 license fee.—Notwithstanding the one-time slot machine license fee as set forth in section 1209 (relating to slot machine license fee), the board shall impose a one-time Category 3 license fee to be paid by each successful applicant in an amount of \$5,000,000. The provisions of section 1209 relating to term, credit against tax for slot machine licensees, deposit of license fee and change of ownership or control of a license shall be applicable to a Category 3 license fee.

(e) Definitions.—For the purpose of subsection (a), the following words and phrases shall have the meaning given to them in this subsection:

"Amenities." Any ancillary activities, services or facilities in which a registered guest or the transient public, in return for non-de minimis consideration as defined by board regulation, may participate at a resort hotel, including, but not limited to: sports and recreational activities and facilities, such as a golf course or golf driving range, tennis courts, or swimming pool; health spa; convention, meeting and banquet facilities; entertainment facilities; and restaurant facilities.

"Patron of the amenities." Any individual who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel or who participates in one or more of the amenities provided to registered guests of the resort hotel.

§ 1306. Order of initial license issuance.

In order to facilitate the timely and orderly deployment of licensed gaming operations in this Commonwealth, the board shall adopt a schedule by which applicants for slot machine, manufacturer and supplier licenses shall be filed, considered and resolved in accordance with the provisions of this part. In so doing, the board shall consider, approve, condition or deny the approval of all filed applications for manufacturer and supplier licenses as soon as administratively possible and at least three months prior to the board's approval, conditioning, or denial of the approval of any Category 1 license application pursuant to section 1315 (relating to conditional Category 1 licenses) or any other category of slot machine license pursuant to section 1301 (relating to authorized slot machine license). The board shall ensure that an adequate number of suppliers have been licensed pursuant to section 1301 to meet market demand.

§ 1307. Number of slot machine licenses.

The board may license no more than seven Category 1 licensed facilities, and no more than five Category 2 licensed facilities, as it may deem appropriate, as long as two, and not more, Category 2 licenses are located by the board within the city of the first class and that one, and not more, Category 2 licensed facility is located by the board within the city of the second class. The board may, at its discretion, increase the total number of Category 2 licensed facilities permitted to be licensed by the board, by an amount not to exceed the total number of Category 1 licenses not applied for within five years following the effective date of this part. Except as permitted by section 1328 (relating to change in ownership or control of slot machine license), any Category 1 license may be reissued by the board, at its discretion, as a Category 2 license if an application for issuance of such license has not been made to the board. The board may license no more than two Category 3 licensed facilities.

§ 1308. 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 confirm that all the applicable license or permit fees have been paid in accordance with this part.

(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 all applicable fees and all information and accompanying documentation required by the board, including, but not limited to, a current tax lien certificate issued by the department at the time of filing the application. 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, the board and the commissions shall not 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 in which the party is seeking to overturn or otherwise challenge a decision or order of the board or commissions, pertaining to the approval, denial, or conditioning of a license to conduct thoroughbred or harness horse race meetings respectively with pari-mutuel wagering, or to operate slot machines. This subsection shall not be interpreted to affect the rights of applicants to seek judicial enforcement of mandatory obligations of the board as may be required by this part.

§ 1309. Slot machine license application.

(a) General requirements.—In addition to any other information required under this part or as may be required by the board, the application for any category of slot machine license shall include at a minimum:

(1) The name, address, photograph and handwriting exemplar of the applicant and of all directors and owners and key employees and their positions within the corporation or organization, as well as any additional financial information required by the board.

(2) The proposed location of the slot machine areas, if known.

(3) The number of slot machines requested.

(4) A current tax lien certificate issued by the department.

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

(6) The current status of the horse or harness racing license issued pursuant to the Race Horse Industry Reform Act, if any.

(7) The details of any gaming, slot machine or casino license applied for, granted to or denied to the applicant by other jurisdictions where such form of gaming is legal, and the consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.

(8) The details of any loans obtained from a financial institution or not obtained from a financial institution.

(9) The consent to conduct a background investigation by the board, the scope of which shall be determined by the board in its discretion consistent with the provisions of this part, and a release

signed by all persons subject to the investigation of all information required to complete the investigation.

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

(b) Refusal to cooperate.—Any refusal to provide the information required under this section or to consent to a background investigation shall result in the immediate denial of a license or permit.

§ 1310. Slot machine license application character requirements.

(a) Application.—Every application for a slot machine license 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. Information shall include, without limitation, information pertaining to family, habits, character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the ten-year period immediately preceding the filing date of the application.

(b) Civil judgments and law enforcement agency information.—Each applicant shall notify the board of any civil judgments obtained against the 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 the law enforcement agencies do not have any pertinent information concerning the applicant or, if the law enforcement agency does have information pertaining to the applicant, shall specify the nature and content of that information. If no letters are received within 30 days of the request, the applicant may submit a statement under oath which is subject to the penalty for false swearing under 18 Pa.C.S. § 4903 (relating to false swearing) that the applicant is or was during the period the activities were conducted in good standing with the gaming or casino enforcement or control agency.

(c) Gaming or casino enforcement agency information.—If the applicant has held a gaming license in a jurisdiction where gaming activities are permitted, the applicant shall produce a letter of reference from the gaming or casino enforcement or control agency which shall specify the experiences of that agency with the applicant, the applicant's associates and the applicant's gaming operation. If no letters are received within 30 days of the request, the applicant may submit a statement under oath which is subject to the penalty for false swearing under 18 Pa.C.S. § 4903 (relating to false swearing) that the applicant is or was during the period the activities were conducted in good standing with the gaming or casino enforcement or control agency.

§ 1311. Slot machine license application business entity requirements.

(a) Key employee requirement qualification.—No corporation or any other legal business entity shall be eligible to hold a slot machine license unless the following would individually be qualified for licensure as a key employee: each officer; each director; each person who directly or indirectly holds any beneficial interest or ownership of the securities in the entity; each person who in the opinion of the board has the ability to control the entity, has a controlling interest or elects a majority of the board of directors of that corporation or business entity, other than a banking or other licensed lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business; each key employee; each lender, other than a banking or other licensed lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business; each underwriter; each agent; each employee of the corporation or entity and each other person whom the board may consider appropriate for approval or qualification. The board may waive compliance with the provisions of this subsection on the part of a publicly traded corporation as to a person directly or indirectly holding ownership of securities of such corporation where the board is satisfied that the security holder is not significantly involved in the activities of the corporation and does not have the ability to control the corporation or elect one or more directors thereof.

(b) Slot machine license qualification requirement.—No corporation or any other legal business entity or other form of business organization which is a subsidiary shall be eligible to receive or hold a slot machine license unless each holding and intermediary company with respect

thereto:

(1) if it is a corporation or other legal business entity, shall comply with the provisions of subsection (a) of this section as if said holding or intermediary company were itself applying for a slot machine license. The board may waive compliance with the provisions of subsection (a) on the part of a publicly traded corporation which is a holding company as to any officer, director, lender, underwriter, agent or employee thereof, or person directly or indirectly holding a beneficial interest or ownership of the securities of such corporation, where the board is satisfied that such officer, director, lender, underwriter, agent or employee is not significantly involved in the activities of the corporate licensee, and in the case of the security holder, does not have the ability to control or possess a controlling interest in the holding company or elect one or more directors thereof; or

(2) if it is not a corporation, shall comply with the provisions of subsection (c) as if said company were itself applying for a slot machine license. The board may waive compliance with the provisions of subsection (c) on the part of a noncorporate business organization which is a holding company as to any person who directly or indirectly holds any beneficial interest or ownership in such company, when the board is satisfied that such person does not have the ability to control the company.

(c) Noncorporate applicant requirement.—Any noncorporate applicant for a slot machine license shall provide the information required in this section in such form as may be required by the board. No such applicant shall be eligible to hold a slot machine license unless each person who directly or indirectly holds any beneficial interest or ownership in the applicant, or has the ability to control the applicant or whom the board may consider appropriate for approval or qualification, would individually be qualified for approval as a key employee pursuant to the provisions of this part.

§ 1312. Divestiture of disqualifying applicant.

In the event that any slot machine license application is not approved by the board based on a finding that an individual who is a principal or has an interest in the person applying for the license does not meet the character requirements of section 1310 (relating to slot machine license application character requirements) or any of the eligibility requirements under this part, or a person who purchases a controlling interest in a licensed gaming entity in violation of section 1328 (relating to change in ownership or control of slot machine licensee), the board may afford the individual the opportunity to completely divest his interest in the person, its affiliate, intermediary, subsidiary or holding company seeking the license and, after such divestiture, reconsider the person's or applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue the person or applicant a slot machine license. The board shall approve the terms and conditions of any divestiture under this section. Under no circumstances shall any divestiture be approved by the board if the compensation for the divested interest exceeds the cost of the interest.

§ 1313. Slot machine license application financial fitness requirements.

(a) Applicant financial information.—The board shall require each applicant for a slot machine license to produce the information, documentation and assurances concerning financial background and resources as the board deems necessary to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, its affiliate, intermediary, subsidiary or holding company, 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 the information, documentation and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial backers, investors, mortgagees, bondholders and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed. Any such banking or lending institution and institutional investors may be waived from the qualification requirements. Banking or lending institution or institu-

tional 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 the financial sources shall be judged upon the same standards as the applicant. Any such person 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 clear and convincing evidence the adequacy of financial resources.

(c) Applicant's ability to pay license fee.—The board shall require each applicant for a Category 1 or 2 slot machine license, at the time of application to post a letter of credit or bond in the amount of \$50,000,000 to demonstrate the financial ability to pay the slot machine license fee as required in section 1209 (relating to slot machine license fee) if issued a slot machine license by the board. Each applicant for a Category 3 slot machine license, at the time of application shall be required to post a letter of credit or bond in the amount of \$5,000,000 to demonstrate the financial ability to pay the Category 3 slot machine license fee as required in section 1305 (relating to Category 3 slot machine license) if issued a slot machine license by the board.

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

(e) Applicant's operational viability.—In assessing the financial viability of the proposed licensed facility, the board shall make a finding, after review of the application, that the applicant is likely to maintain a financially successful, viable and efficient business operation and will likely be able to maintain steady level and growth of revenue to the Commonwealth pursuant to section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution). Notwithstanding any provision of this part to the contrary, an applicant that includes a commitment or promise to pay a slot machine license fee in excess of the amount provided in section 1209 or a distribution of terminal revenue in excess of the amounts provided in sections 1403, 1405 (relating to Pennsylvania Race Horse Development Fund) and 1407 (relating to Pennsylvania Gaming Economic Development Tourism Fund) shall not be deemed a financially successful, viable or efficient business operation and shall not be approved for a slot machine license.

(f) Additional information.—In addition to other information required by this part, a person applying for a slot machine license shall provide the following information:

(1) The organization, financial structure and nature of all businesses operated by the person, including any affiliate, intermediary, subsidiary or holding companies, the names and personal employment and criminal histories of all officers, directors and key employees of the corporation; the names of all holding, intermediary, affiliate and subsidiary companies of the corporation; and the organization, financial structure and nature of all businesses operated by such holding, intermediary and subsidiary companies as the board may require, including names and personal employment and criminal histories of such officers, directors and principal employees of such corporations and companies as the board may require.

(2) The extent of securities held in the corporation by all officers, directors and underwriters, and their remuneration in the form of salary, wages, fees or otherwise.

(3) Copies of all management and service contracts.

§ 1314. Alternative Category I licensing standards.

(a) Determination.—The board may determine whether the licensing standards of another jurisdiction within the United States or Canada in which an applicant, its affiliate, intermediary, subsidiary or holding company for a Category 1 slot machine license is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may issue a slot machine license to an applicant who holds a slot machine license in such other jurisdiction without the necessity of a full application and background investigation.

(b) Abbreviated process.—In the event an applicant for a slot ma-

chine license 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 issuance of a license 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.

§ 1315. Conditional Category 1 licenses.

(a) Issuance.—Notwithstanding any provisions of this part to the contrary, upon a finding that it is in the public interest, the board may issue a conditional slot machine license to a person who qualifies as a Category 1 license applicant upon payment of the fee pursuant to section 1209 (relating to slot machine license fee). This license may be issued after the completion of a background investigation of the applicant and each key employee and prior to full compliance by the applicant with section 1325 (relating to license or permit issuance).

(b) Suitability; financial capability.—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.

(c) Complete application.—No later than upon issuance of a conditional license, the applicant shall submit a complete application for a Category 1 license pursuant to section 1302 (relating to Category 1 slot machine license) as set forth by this part.

(d) Expiration.—If the holder of a conditional license does not receive board approval for the issuance of a Category 1 slot machine license under the standards set forth in this part within 18 months from the time set by the board pursuant to section 1301 (relating to authorized slot machine licenses) at which all applications are to be filed and deemed complete, the conditional license shall expire. Failure to meet the requirements of this part for licensure shall cause immediate forfeiture of the conditional slot machine license and revocation of authorization to operate slot machines at the licensed facility.

(e) Return of fee.—In the event of the expiration of a conditional license or the denial of an application for a slot machine license pursuant to section 1302, the applicant shall be entitled to a return of 85% of the conditional slot machine license fee it submitted with its application.

§ 1316. Bond for issuance of slot machine license.

Before any category of slot machine license is issued, the licensee shall post a bond in an amount not less than the sum of \$1,000,000, as set by the board, payable to the Commonwealth. The bond shall be used to guarantee that the slot machine licensee faithfully makes the payments, keeps books and records, makes reports and conducts operations in conformity with this part and rules, regulations and orders promulgated by the board. The bond shall not be canceled by a surety on less than 30 days' notice in writing to the board. If a bond is canceled and the slot machine licensee fails to file a new bond with the board in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked or suspended. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

§ 1317. Supplier and manufacturer licenses application.

(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 either a supplier or manufacturer license. No person, its affiliate, intermediary, subsidiary or holding company who has applied for or is a holder of a manufacturer or slot machine license, shall be eligible to apply for or hold a supplier license. A supplier licensee shall establish a principle place of business in this Commonwealth within one year of issuance of its supplier license and maintain such during the period in which the license is held. No slot machine licensee shall enter into any sale, lease, contract or any other type of agreement providing slot machines, progressive slot machines, parts or associated equipment for use or play with any person other than a supplier licensed pursuant to this section. Slot monitoring systems, casino management systems, player tracking systems and wide-area progressive systems are excluded from any requirements that they be provided through a licensed supplier as set forth in this part.

(b) Requirements.—The application for a supplier or manufacturer license shall include, at a minimum:

- (1) The name and business address of the applicant, the directors and owners of the applicant and a list of employees and their

positions within the business, as well as any financial information required by the board.

(2) The consent to a background investigation of the applicant, its officers, directors, owners, key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.

(3) The details of any equivalent license granted or denied by other jurisdictions where gaming activities are permitted and consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.

(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.

§ 1318. Occupation permit application.

(a) Application.—Any person who desires to be a gaming employee and has a bona fide offer of employment from a licensed gaming entity shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless and until that 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 the objectives of this part.

(b) Requirements.—The application for an occupation permit shall include, at a minimum:

- (1) The name and home address of the person.
- (2) The previous employment history of the person.
- (3) The criminal history record of the person, as well as their consent for the Pennsylvania State Police to conduct a background investigation.
- (4) A photograph and handwriting exemplar of the person.
- (5) Evidence of the offer of employment and the nature and scope of the proposed duties of the person, if known.
- (6) The details of any occupation permit or similar license granted or denied to the applicant in other jurisdictions and consent for the board to obtain copies of applications submitted or permits or licenses issued in connection therewith.

(7) 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 licensed facility at which slot machines are physically located.

§ 1319. Alternative manufacturer licensing standards.

(a) General rule.—The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a manufacturer license is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may issue a manufacturer license to an applicant who holds a similar manufacturer license in such other jurisdiction without the necessity of a full application and background investigation.

(b) Abbreviated process.—In the event an applicant for a slot machine manufacturer license 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 issuance of a license 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.

§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.—Until such time as the board establishes an independent testing and certification facility pursuant to subsection (b), the board may determine, at its discretion, whether the slot machine testing and certification standards of another jurisdiction within the United States in which an applicant for a manufacturer license is licensed are comprehensive and thorough and provide similar adequate safeguards, as those required by this part. If the board makes that determination, it may permit a manufacturer, through a licensed supplier as provided in section 1317 (relating to supplier and manufacturer licenses application), to deploy those slot machines which have met the slot machine testing and certification standards in such other

jurisdictions, without undergoing the full testing and certification process by a board-established independent facility. In the event slot machines of an applicant for a manufacturer license are licensed in such other jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a slot machine certification to such an applicant. Alternatively, the board, in its discretion, may also rely upon the certification of a slot machine that has met the testing and certification standards of a board-approved private testing and certification facility until such time as the board establishes an independent testing and certification facility pursuant to subsection (b). Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

(b) Facility in Commonwealth.—Within three years immediately following the effective date of this part, the board shall establish and maintain an independent slot machine testing and certification facility. The cost for the establishment and operation of an independent slot machine testing and certification facility shall be paid by each licensed manufacturer in accordance with a schedule adopted by the board. The facility shall be made available to each slot machine manufacturer and supplier as determined by the board.

(c) Central control computer compatibility.—The board shall ensure that all slot machines certified and approved for use in this Commonwealth are compatible and comply with the central control computer and protocol specifications approved by the department.

§ 1321. Additional licenses and permits and approval of agreements.

(a) Requirements.—In addition to the requirements for a license or permit specifically set forth in this part, 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, tour operator, operator of a bus trip program or operator of any other type of travel program or promotional business related to slot machines. The board may also review, deny, order modification or approve, at its discretion, proposed tours, bus routes and travel programs.

(2) The person is presently not otherwise required to be licensed under this part and provides any goods, property or services, including, but not limited to, management contracts for compensation to a slot machine licensee at the licensed facility.

(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 in accordance with rules and regulations promulgated by the board. Every agreement shall be in writing and shall 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.

§ 1322. Slot machine accounting controls and audits.

(a) Approval.—Except as otherwise provided by this part, each slot machine license applicant shall, in addition to obtaining a slot machine license, obtain approval from the board in consultation with the department of its proposed site plans and internal control systems and audit protocols prior to the installation and operation of slot machines at the licensed facility.

(b) Minimum requirements.—At a minimum, the applicant's or person's 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 1323 (relating to central control computer system), that each slot machine directly provides or communicates all required activities and financial details to the central control computer as set by the board.

(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, as approved by the board.

(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, as approved by the board.

(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 slot machine license applicant shall submit to the board and department, 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 of internal control shall include:

(1) Records of direct and indirect ownership in the proposed slot machine licensee, its affiliate, intermediary, subsidiary or holding company.

(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 this section.

(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 proposed licensed gaming entity or other competent person and the chief executive officer of the proposed licensed gaming entity or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements of this section.

(8) Any other item that the board may require in its discretion.

§ 1323. Central control computer system.

(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, at an appropriate time to be determined by the department, to a central control computer under the control of the department and accessible by the board to provide auditing program capacity and individual terminal information as approved by the department and shall include real time information retrieval and terminal activation and disabling programs. The central control computer selected and employed by the department shall not unduly 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 control computer. The central control computer employed by the department shall provide:

(1) A fully operational Statewide slot machine control system that has the capability of supporting up to the maximum number of slot machines that could be permitted to be in operation under this part.

(2) The employment of a widely accepted gaming industry protocol to facilitate slot machine manufacturers' ability to communicate with the Statewide 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 and cashless technology as approved by the board.

(5) The delivery of a system that does not alter the statistical awards of slot machine games, as designed by the slot machine manufacturer and approved by the board.

(6) The delivery of a system that provides redundancy so that

each component of the network will be capable of operating independently by the department if any component of the network, including the central control computer, fails or cannot be operated for any reason as determined by the department, and to assure that all transactional data is captured and secured. Costs associated with any computer system required by the department to operate at a licensed facility, whether independent or as part of the central control computer, shall be paid by the slot machine licensee. The computer system will be controlled by the department and accessible to the board.

(7) The ability to meet all reporting and control requirements as prescribed by the board and department.

(8) Any other capabilities as determined by the department in consultation with the board.

(b) Personal information.—Except as provided for in subsection (a)(4), the central control computer shall not provide for the monitoring or reading of personal or financial information concerning a patron of a slot machine licensee.

(c) Initial acquisition of central control computer.—Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of this part, initial contracts entered into by the department for a central control computer, including any necessary computer hardware, software, licenses or related services shall not be subject to the provisions of 62 Pa.C.S. (relating to procurement). Contracts made pursuant to the provisions of this section shall not exceed five years.

(d) Resolution of contract disputes.—The process specified in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation resolution of controversies) shall be the sole means of resolution for controversies arising with respect to contracts executed under this section.

§ 1324. Protocol information.

The department shall provide, upon request and in advance of the operation of a central control computer, to a licensed slot machine supplier or manufacturer the comprehensive protocol specifications necessary to enable the respective slot machine suppliers or manufacturers of slot machine terminals to communicate with the department's central control computer for the purpose of transmitting auditing program information and for activating and disabling of slot machine terminals. Manufacturers and suppliers shall be afforded a reasonable period of time to comment upon the protocol in advance of the operation of the central control computer. Once adopted, the department shall provide suppliers and manufacturers a reasonable period of time to review and comment on any changes and on documentation data for all proposed changes to the original protocol specifications of the central control computer. Manufacturers and suppliers shall be afforded a reasonable period of time to comment upon and employ all proposed changes to the protocol in advance of its implementation and operation with the central control computer. Notwithstanding the foregoing, the department may expedite changes in the protocol as may be needed to ensure the integrity and stability of the entire system.

§ 1325. License or permit issuance.

(a) Issuance.—In addition to any other criteria provided under this part, any licensed gaming entity, supplier, manufacturer, gaming employee or other person that the board approves as qualified to receive a license or a permit under this part shall be issued a license or permit upon the payment of any fee required and upon the fulfillment of any conditions required by the board or provided for in this part. Nothing contained in this part is intended or shall be construed to create an entitlement to a license or permit by any person. The board shall, in its sole discretion, issue, renew, condition or deny a slot machine license based upon the requirements of this part, whether the issuance of a license will enhance tourism, economic development or job creation, is in the best interests of the Commonwealth and advances the purposes of this part.

(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 has developed and implemented or agreed to develop and implement a diversity plan to assure that all persons are accorded equality of opportunity in employment and contracting by the applicant, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

(2) 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) Additional requirements.—In addition to the eligibility requirements otherwise provided in this part, the board may also take into account the following factors when considering an application for a slot machine license:

(1) The location and quality of the proposed facility, including, but not limited to, road and transit access, parking and centrality to market service area.

(2) The potential for new job creation and economic development which will result from granting a license to an applicant.

(3) The applicant's good faith plan to recruit, train and upgrade diversity in all employment classifications in the facility.

(4) The applicant's good faith plan for enhancing the representation of diverse groups in the operation of its facility through the ownership and operation of business enterprises associated with or utilized by its facility or through the provision of goods or services utilized by its facility and through the participation in the ownership of the applicant.

(5) The applicant's good faith effort to assure that all persons are accorded equality of opportunity in employment and contracting by it and any contractors, subcontractors, assignees, lessees, agents, vendors and suppliers it may employ directly or indirectly.

(6) The history and success of the applicant in developing tourism facilities ancillary to gaming development, if applicable to the applicant.

(7) The degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular.

(8) The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations and employees in other locations.

(9) The degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care, child care, public transportation, affordable housing and social services, will be mitigated.

(10) The record of the applicant and its developer regarding compliance with:

(i) Federal, State and local discrimination, wage and hour, disability and occupational and environmental health and safety laws; and

(ii) State and local labor relations and employment laws.

(11) The applicant's record in dealing with its employees and their representatives at other locations.

§ 1326. License renewals.

(a) Renewal.—All permits and licenses issued under this part, unless otherwise provided, shall be subject to renewal on an annual basis upon the application of the holder of the permit or license submitted to the board at least 60 days prior to the expiration of the permit or license. The application for renewal shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. A permit or license for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit or license that the board has denied the renewal of such permit or license.

(b) Revocation or failure to renew.—In addition to any other sanctions the board may impose under this part, the board may, at its discretion, suspend, revoke or deny renewal of any permit or license issued under this part if it receives any information from any source that the applicant, or any of its officers, directors, owners or key employees, is in violation of any provision of this part, that the applicant has furnished the board with false or misleading information or that the information contained in the applicant's initial application or any renewal application is no longer true and correct. In the event of a revocation or failure to renew, the applicant's authorization to conduct the previously approved activity shall immediately cease and all fees paid in connection therewith shall be deemed to be forfeited. In the event of a suspension, the applicant's authorization to conduct the previously approved activity shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.

§ 1327. Nontransferability of licenses.

A license or permit issued by the board is a grant of the privilege to conduct a business in this Commonwealth. Except as permitted by section 1328 (relating to change in ownership or control of slot machine licensee), a license or permit granted or renewed pursuant to this part shall not be sold, transferred or assigned to any other person, nor shall a licensee or permittee pledge or otherwise grant a security interest in or lien on the license or permit. Nothing contained in this part is intended or shall be construed to create in any person an entitlement to a license. The board has the sole discretion to issue, renew, condition or deny the issuance of a slot machine license based upon the purposes and requirements of this part.

§ 1328. Change in ownership or control of slot machine licensee.

(a) Notification and approval.—

(1) A slot machine licensee shall notify the board prior to or immediately upon becoming aware of any proposed or contemplated change of ownership of the slot machine licensee by a person or group of persons acting in concert which involves any of the following:

- (i) More than 5% of a slot machine licensee's securities or other ownership interests.
- (ii) More than 5% of the securities or other ownership interests of a corporation or other form of business entity that owns, directly or indirectly, at least 20% of the voting or other securities or other ownership interests of the licensee.
- (iii) The sale, other than in the ordinary course of business, of a licensee's assets.
- (iv) Any other transaction or occurrence deemed by the board to be relevant to license qualifications.

(2) Notwithstanding the provisions of paragraph (1), a slot machine licensee shall not be required to notify the board of any acquisition by an institutional investor pursuant to paragraph (1)(i) or (ii) if the institutional investor holds less than 10% of the securities or other ownership interests referred to in paragraph (1)(i) or (ii), the securities or interests are publicly traded securities and its holdings of such securities were purchased for investment purposes only and the institutional investor files with the board a certified statement to the effect that it has no intention of influencing or affecting, directly or indirectly, the affairs of the licensee, provided, however, that it shall be permitted to vote on matters put to the vote of the outstanding security holders. Notice to the board and board approval shall be required prior to completion of any proposed or contemplated change of ownership of a slot machine licensee that meets the criteria of this section.

(b) Qualification of purchaser of slot machine licensee; change of control.—The purchaser of the assets, other than in the ordinary course of business, of any slot machine licensee shall independently qualify for a license in accordance with this part and shall pay the license fee as required by section 1209 (relating to slot machine license fee). A change in control of any slot machine licensee shall require that the slot machine licensee independently qualify for a license in accordance with this part, and the slot machine licensee shall pay a new license fee as required by section 1209, except as otherwise required by the board pursuant to this section.

(c) Change in control defined.—For purposes of this section, a change in control of a slot machine licensee shall mean the acquisition by a person or group of persons acting in concert of more than 20% of a slot machine licensee's securities or other ownership interests, with the exception of any ownership interest of the person that existed at the time of initial licensing and payment of the initial slot machine license fee, or more than 20% of the securities or other ownership interests of a corporation or other form of business entity which owns, directly or indirectly, at least 20% of the voting or other securities or other ownership interests of the licensee.

(d) Fee reduction.—The board may, in its discretion, eliminate the need for qualification and/or proportionately reduce, but not eliminate, the new license fee otherwise required pursuant to this section in connection with a change of control of a licensee, depending upon the type of transaction, the relevant ownership interests and changes thereto resulting from the transaction and other considerations deemed relevant by the board.

(e) License revocation.—Failure to comply with this section may

cause the license issued under this part to be revoked or suspended by the board unless the purchase of the assets or the change in control that meets the criteria of this section has been independently qualified in advance by the board and any required license fee has been paid.

§ 1329. Nonportability of slot machine license.

Each slot machine license shall only be valid for the specific physical location within the municipality and county for which it was originally granted. No slot machine licensee shall be permitted to move or relocate the physical location of the licensed facility without board approval for good cause shown.

§ 1330. Multiple slot machine license prohibition.

No slot machine license applicant or slot machine licensee, its affiliate, intermediary, subsidiary or holding company may possess an ownership or financial interest that is greater than 33.3% of another slot machine licensee or person eligible to apply for a Category 1 license, its affiliate, intermediary, subsidiary or holding company. The board shall approve the terms and conditions of any divestiture under this section. Under no circumstances shall any such divestiture be approved by the board if the compensation for the divested interest in a person eligible to apply for a Category 1 license exceeds the greater of the original cost of the interest, the book value of the interest or an independently assessed value of the interest one month prior to the effective date of this part, and in the case of a person eligible to apply for a Category 1 license, unless the person acquiring the divested interest is required to continue conducting live racing at the location where live racing is currently being conducted in accordance with section 1303 (relating to additional Category 1 slot machine license requirements) and be approved for a Category 1 slot machine license. No such slot machine license applicant shall be issued a slot machine license until the applicant has completely divested its ownership or financial interest that is in excess of 33.3% in another slot machine licensee, or person eligible to apply for a Category 1 license, its affiliate, intermediary, subsidiary or holding company.

§ 1331. Duty of licensees, key employees and gaming employees.

Any licensee, key employee or gaming employee shall have the duty to:

- (1) provide any assistance or information required by the board or the Pennsylvania State Police and to cooperate in any inquiry, investigation or hearing;
- (2) consent to inspections, searches and seizures;
- (3) inform the board of any actions which they believe would constitute a violation of this part; and
- (4) inform the board of any arrests for any violations of offenses enumerated under 18 Pa.C.S. (relating to crimes and offenses).

CHAPTER 14
REVENUES

Sec.

- 1401. Slot machine licensee deposits.
- 1402. Gross terminal revenue deductions.
- 1403. Establishment of State Gaming Fund and net slot: m a c h i n e revenue distribution.
- 1404. Distributions from licensee's revenue receipts.
- 1405. Pennsylvania Race Horse Development Fund.
- 1406. Distributions from Pennsylvania Race Horse: Development Fund.
- 1407. Pennsylvania Gaming Economic Development and: Tourism Fund.
- 1408. Transfers from State Gaming Fund.
- 1409. Property Tax Relief Fund.

§ 1401. Slot machine licensee deposits.

(a) Account established.—There is established within the State Treasury an account for each slot machine licensee for the deposit of sums under this section.

(b) Initial deposit of funds.—Not later than two business days prior to the commencement of slot machine operations by a slot machine licensee, the slot machine licensee shall deposit and maintain the sum of \$5,000,000 in its account to guarantee the payment of funds to the Commonwealth under this part and as security for its obligations under section 1405 (relating to Pennsylvania Race Horse Development Fund).

(c) Weekly deposits.—Each slot machine licensee shall deposit funds into its account on a weekly basis equal to the amounts deducted

by the department under section 1402 (relating to gross terminal revenue deductions) and for reimbursement of any funds expended due to the slot machine licensee's failure to comply with its obligations under section 1405. The department shall notify each licensee of the amounts deducted. If at any time the amount held in the account attributable to a slot machine licensee is not sufficient to make the payments required of the licensee under section 1402 and for reimbursement of any funds expended due to the slot machine licensee's failure to comply with its obligations under section 1405, the department shall notify the slot machine licensee and the slot machine licensee shall immediately deposit necessary funds into the account as directed by the department.

(d) Return of funds.—The funds deposited into its account shall not be returned to a slot machine licensee unless the slot machine licensee ceases conducting business under its license and relinquishes all rights to do so in the future. In that case, the balance of funds in the account attributable to such licensee, minus any unpaid amounts due and payable to the Commonwealth under this part or due and payable under section 1405 shall be returned to the licensee.

§ 1402. Gross terminal revenue deductions.

(a) Deductions.—After determining the appropriate assessments for each slot machine licensee, the department shall deduct the following costs, expenses or payments from each account established under section 1401 (relating to slot machine licensee deposits):

(1) The costs and expenses to be incurred by the department in administering this part at each slot machine licensee's licensed facility based upon a budget submitted by the department to, and approved by, the board.

(2) The other costs and expenses to be incurred by the department in administering this part based upon a budget submitted by the department to, and approved by, the board.

(3) Sums necessary to repay any loans made by the General Fund to the department in connection with carrying out its responsibilities under this part, including the costs of the initial acquisition of the central control computer and any accessories or associated equipment.

(4) The costs and expenses to be incurred by the Pennsylvania State Police and the Office of Attorney General and not otherwise reimbursed under this part in carrying out their respective responsibilities under this act based upon a budget submitted by the Pennsylvania State Police and the Attorney General to, and approved by, the board.

(5) Sums necessary to repay any loans made by the General Fund to the Pennsylvania State Police in connection with carrying out its responsibilities under this part.

(6) The costs and expenses to be incurred by the board in carrying out its responsibilities under this part based upon a budget approved by the board.

(7) Sums necessary to repay any loans made by the General Fund to the board in connection with carrying out its responsibilities under this part.

(b) Deferral of assessment.—Notwithstanding any other provision of law to the contrary, the board may defer assessing slot machine licensees for repayment of loans from the General Fund under this section until all slot machine licenses have been issued and all licensed gaming entities have commenced the operation of slot machines.

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

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

(b) Slot machine tax.—The department shall determine and each slot machine licensee shall pay a daily tax of 34% and a local share assessment of 4% of its daily gross terminal revenue from the slot machines in operation at its facility into the fund.

(c) Transfers and distributions.—The department shall:

(1) Transfer the slot machine tax and assessment imposed in subsection (b) to the fund.

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

(i) If the licensed facility is a Category 1 licensed facility that is located at a harness racetrack and the county, including a home rule county, in which the licensed facility is located is:

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class.

(B) A county of the second class: 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(D) A county of the third class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants for health, safety and economic development projects to municipalities within the county where the licensed facility is located. Municipalities that are contiguous to the municipality hosting such licensed facility shall be given priority by the Department of Community and Economic Development in the award of such grants.

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or organizations within the county or redevelopment authorities within the county for grants for economic development projects, job training, community improvement projects, other projects in the public interest and reasonable administrative costs. Notwithstanding the provisions of the act of February 9, 1999 (P.L. 1, No. 1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(F) Counties of the fifth through eighth classes: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county.

(G) Any county not specifically enumerated in clauses (A) through (F), 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(ii) If the licensed facility is a Category 1 licensed facility and is located at a thoroughbred racetrack and the county in which the licensed facility is located is:

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within the county of the first class shall not be distributed outside of a County of the first class.

(B) A county of the second class: 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or organizations within the county or redevelopment authorities within the county for grants for economic development projects, community improvement projects, other projects in the public interest and reasonable administrative costs. Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(F) Counties of the fifth through eighth classes: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county.

(G) Any county not specifically enumerated in clauses (A) through (F), 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

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

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within the county of the first class shall not be distributed outside of a County of the first class.

(B) A county of the second class: 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or organizations within the county or redevelopment authorities within the county for grants for economic development projects, community improvement projects, other projects in the public interest and reasonable administrative costs. Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(F) Counties of the fifth through eighth classes: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account estab-

lished in the Department of Community and Economic Development to be used exclusively for grants to the county, to contiguous counties, to economic development authorities or organizations within the county or contiguous counties or redevelopment authorities within the county or contiguous counties for grants for economic development projects, community improvement projects, other projects in the public interest and reasonable administrative costs. Notwithstanding the Capital Facilities Debt Enabling Act, grants 434 made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(G) Any county not specifically enumerated in clauses (A) through (F), 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

(iv) If the facility is a Category 3 licensed facility, 2% of the gross terminal revenue from each such licensed facility.

(v) Unless otherwise specified, for the purposes of this paragraph money designated for municipal grants within a county, other than a county of the first class, in which a licensed facility is located shall be used to fund grants to the municipality in which the licensed facility is located, to the county in which the licensed facility is located and to the municipalities which are contiguous to the municipality in which the licensed facility is located and which are located within the county in which the licensed facility is located. Grants shall be administered by the county through its economic development or redevelopment authority in which the licensed facility is located. Grants shall be used to fund the costs of human services, infrastructure improvements, facilities, emergency services, health and public safety expenses associated with licensed facility operations. If at the end of a fiscal year uncommitted funds exist, the county shall pay to the economic development or redevelopment authority of the county in which the licensed facility is located the uncommitted funds.

(vi) If the licensed facility is located in more than one county, the amount available shall be distributed on a pro rata basis determined by the percentage of acreage located in each county to the total acreage of all counties occupied by the licensed facility.

(vii) The distributions provided in this paragraph shall be based upon county classifications in effect on the effective date of this section. Any reclassification of counties as a result of a Federal decennial census or of a State statute shall not apply to this subparagraph.

(viii) If any provision of this paragraph is found to be unenforceable for any reason, the distribution provided for in the unenforceable provision shall be made to the county in which the licensed facility is located for the purposes of grants to municipalities in that county, including municipal grants as specified in subparagraph (v).

(ix) Nothing in this paragraph shall prevent any of the above counties from entering into intergovernmental cooperative agreements with other jurisdictions for sharing these money.

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

(i) To a city of the second class hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in that city. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this paragraph, the licensed gaming entity operating the licensed facility or facilities in the city shall remit the difference to the municipality.

(ii) To a city of the second class A hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in that

city subject, however, to the budgetary limitation in this subparagraph. 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 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 distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the city shall remit the difference to the municipality.

(iii) To a city of the third class hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in that city subject, however, to the budgetary limitation in this subparagraph. However, the foregoing limitations shall not apply, notwithstanding any provision to the contrary, if the licensed facility or facilities have executed a written agreement with the city prior to the effective date of this part to provide additional compensation to the city in excess of the difference between 2% of the gross terminal revenue and \$10,000,000. 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 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 distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the city shall remit the difference to the municipality.

(iv) To a township of the first class hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in the township subject, however, to the budgetary limitation in this subparagraph. 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 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 money shall be distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the township shall remit the difference to the municipality.

(v) To a township of the second class hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in the

township subject, however, to the budgetary limitation in this subparagraph. 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 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 money shall be distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the township shall remit the difference to the municipality.

(vi) To a borough hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in that borough subject, however, to the budgetary limitation in this subparagraph. 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 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 money shall be distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the borough shall remit the difference to the municipality.

(vii) To an incorporated town hosting a licensed facility or facilities, other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, of all licensed facilities located in the town subject, however, to the budgetary limitation in this subparagraph. 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 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 money shall be distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the licensed gaming entity operating the licensed facility or facilities in the town shall remit the difference to the municipality.

(viii) To a municipality of any class hosting a Category 3 facility, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality subject, however, to the budgetary limitation in this subparagraph. 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 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 money shall be distributed in accordance with paragraph (2) based upon the county where the licensed facility or facilities is located.

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

(x) If the licensed facility is located in more than one municipality, 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 licensed facility.

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

(xii) The distributions provided in this paragraph shall be based upon county classifications in effect on the effective date of this section. For the purposes of this paragraph, any reclassification of counties as a result of a Federal decennial census or of a State statute shall not apply to this paragraph.

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

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

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

- (A) to reduce the debt of the second class city;
- (B) to increase the level of funding of the municipal pension funds of the second class city; or
- (C) for any other purposes as determined to be in the best interest of the second class city by such intergovernmental cooperation authority. Such revenues shall not be directed to or under the control of such city of the second class or any coordinator appointed pursuant to the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, for such city of the second class.

§ 1404. Distributions from licensee's revenue receipts.

For holders of Category 1 licenses, an amount not less than \$5,000,000 over the initial five-year period following the initial issuance of a Category 1 slot machine license and an amount not less than \$250,000 nor more than \$1,000,000 per year for five years thereafter shall be deposited by each licensee into a segregated account and used for improvement and maintenance of the backside area and related buildings and structures at the racetrack at which the licensee operates. The licensed racing entity designee and the designee of the recognized horsemen's organization 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 section shall be resolved by the State Horse Racing Commission or the State Harness Racing Commission, whichever is appropriate, which shall oversee the use of these funds. Notwithstanding other provi-

sions of this section, a licensed racing entity that has not previously conducted live racing and is constructing a new racetrack, backside area and related buildings and structures that can establish to the satisfaction of the board that the licensed racing entity has spent no less than \$5,000,000 in the construction of the new racetrack's backside area, related buildings and structures shall not be subject to the expenditures required by this section until the tenth year after the completion of such construction at the new racetrack. The board may extend the time frame for distributions under this section for a newly constructed racetrack for up to an additional two years if, upon inspection, either the State Horse Racing Commission or the State Harness Racing Commission, whichever is applicable, determines that the physical condition of the backside area and related buildings and structures of the racetrack is sufficient to protect the health and safety of backside employees.

§ 1405. Pennsylvania Race Horse Development Fund.

(a) Fund established.—There is hereby established a Pennsylvania Race Horse Development Fund within the State Treasury.

(b) Pennsylvania race horse improvement assessment.—Each active and operating licensed gaming entity shall pay a daily assessment to the Pennsylvania Race Horse Development Fund as determined by the department. Subject to the daily assessment cap established under subsection (c), the licensed gaming entity's assessment shall be a percentage of each licensed gaming entity's gross terminal revenue, equal to an amount calculated as "A" multiplied by "B"; with "A" being equal to each licensed gaming entity's gross terminal revenue for that day divided by the total gross terminal revenue for that day from all licensed gaming entities; and, "B" being equal to 18% of that day's gross terminal revenue for all active and operating Category 1 licensees conducting live racing.

(c) Daily assessment cap.—If the resulting daily assessment for a licensed gaming entity exceeds 12% of that licensed gaming entity's gross terminal revenue for the day, the licensed gaming entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(d) Distributions.—In accordance with section 1406 (relating to distributions from Pennsylvania Race Horse Development Fund), the department shall make distributions from the Pennsylvania Race Horse Development Fund to each of the active and operating Category 1 licensees conducting live racing.

§ 1406. Distributions from Pennsylvania Race Horse Development Fund.

(a) Distributions.—Funds from the Pennsylvania Race Horse Development Fund shall be distributed to each active and operating Category 1 licensee conducting live racing in the following manner:

- (1) An amount equal to 18% of the daily gross terminal revenue of each Category 1 licensee shall be distributed to each active and operating Category 1 licensee conducting live racing unless the daily assessments are affected by the daily assessment cap provided for in section 1405(c). In cases in which the daily assessment cap affects daily assessments, the distribution to each active and operating Category 1 licensee conducting live racing for that day shall be a percentage of the total daily assessments paid into the Pennsylvania Race Horse Development Fund for that day equal to the gross terminal revenue of each active and operating Category 1 licensee conducting live racing for that day divided by the total gross terminal revenue of all active and operating Category 1 licensees conducting live racing for that day. The distributions to licensed racing entities from the Pennsylvania Race Horse Development Fund shall be allocated as follows:
 - (i) Eighty percent to be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.
 - (ii) From licensees that operate at thoroughbred tracks, 16% to be deposited on a monthly basis into the Pennsylvania Breeding Fund as defined in section 223 of the Race Horse Industry Reform Act. From licensees that operate at standardbred tracks, 8% to be deposited on a monthly basis in the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act and 8% to be deposited on a

monthly basis 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 that will include the administration of 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 racing entity 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, as approved by the State Horse Racing Commission or the State Harness Racing Commission. This amount shall be deposited within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, \$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity 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.

(b) Guidelines.—The board shall establish guidelines that ensure that funds allocated to the horsemen's organization are used to finance the programs to benefit all horsemen of this Commonwealth and that administrative and overhead costs are reasonably related to such programs.

(c) Eligible recipients.—Funds allocated to the horsemen's organization under this part must be used to benefit all horsemen. Funds acquired from other sources shall be kept separate and apart from funds obtained under this part.

(d) Reasonableness.—Funding for benevolent programs, including, but not limited to, pension, health and insurance plans, will be considered reasonable if such program funding on an annual basis is at least 85% of the total statutory allocation.

(e) Filing of audit.—All horsemen's organizations that receive funds under this section shall file annually with the appropriate commission and the board an audit prepared by a certified public accountant of all funds received. Such filings shall be open to public review. The horsemen's organizations shall maintain adequate records concerning receipt and distribution of funds allocated to them.

(f) Contracts.—All health and pension benefits contracts shall be reviewed and approved by the board.

(g) Penalty.—Any violation of the provisions of this section may subject the horsemen's organization to a fine not to exceed \$10,000 per violation.

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

(a) Fund established.—There is hereby established a Pennsylvania Gaming Economic Development and Tourism Fund within the State Treasury.

(b) Fund administration and distribution.—The Pennsylvania Gaming Economic Development and Tourism Fund shall be administered by the Department of Community and Economic Development. All moneys in the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed pursuant to a subsequently enacted Economic Development Capital Budget that appropriates money from the fund pursuant to this section. The procedures for enactment, authorization and release of economic development and tourism funds authorized under this section for both capital projects and operational expenditures shall be the same as those provided for in section 303(a), (b) and (c) of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, and any other applicable statutory provision without reference to the nature or purpose of the project.

(c) Pennsylvania Gaming Economic Development and Tourism Fund Assessment.—Each licensed gaming entity shall pay a daily assessment of 5% of its gross terminal revenue to the Pennsylvania Gaming Economic Development and Tourism Fund.

(d) Restrictions on projects for certain counties and cities.—For a ten-year period beginning with the first fiscal year during which deposits are made into this fund, no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout the Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects during this ten-year period:

(1) for reimbursement to a city of the first class for debt service made by such city to the extent that such payments have been made for the expansion of the Pennsylvania Convention Center;

(2) for distribution to the General Fund to the extent that the Commonwealth has made debt service payments for the expansion of the Pennsylvania Convention Center;

(3) for reimbursement to a city of the first class for payments made by such city for the operation expenses of the Pennsylvania Convention Center during the prior calendar year;

(4) for debt service and for development and economic development projects for an international airport located in a county of the second class;

(5) for distribution to a community infrastructure development fund of a county of the second class to fund construction, development, improvement and maintenance of infrastructure projects;

(6) for the retirement of the indebtedness of an urban redevelopment authority, created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, in a city of the second class which is financed, in part, with the utilization of funds transferred to the regional asset district pursuant to Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code;

(7) for retirement of indebtedness and for financing of a hotel or convention center in a city of the second class established pursuant to the authority of the act of July 29, 1953 (P.L.1034, No.270), known as the Public Auditorium Authorities Law;

(8) for retirement of indebtedness of a county of the second class development fund created pursuant to the authority of Article XXXI-B of the Second Class County Code and the Urban Redevelopment Law;

(9) for retirement of indebtedness of a convention center in a city of the second class established pursuant to the authority of the Public Auditorium Authorities Law;

(10) for payment of the operating deficit for the operation of a convention center in a city of the second class established pursuant to the Public Auditorium Authorities Law.

§ 1408. Transfers from State Gaming Fund.

(a) Transfer for compulsive problem gambling treatment.—Each year, the sum of \$1,500,000 or an amount equal to .001 multiplied by the total gross terminal revenue of all active and operating licensed gaming entities, whichever is greater, shall be transferred into the Compulsive Problem Gambling Treatment Fund established in section 1509 (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 to the Volunteer Fire Company Grant Program established under the act of July 31, 2003 (P.L.73, No.17), known as the Volunteer Fire Company and Volunteer Ambulance Service Grant Act.

(c) Local law enforcement grants.—Annually, the sum of \$5,000,000 shall be transferred to the board for the purpose of issuing grants to local law enforcement agencies to enforce and prevent the unlawful operation of slot machines in this Commonwealth.

(d) Annual transfers.—Annually, the following sums shall be transferred from the State Gaming Fund as follows:

(1) To each county, 80¢ per acre for each acre of land in the county for which a payment is made under the act of May 17, 1929 (P.L.1798, No.591), referred to as the Forest Reserves Municipal Financial Relief Law, or under 34 Pa.C.S. § 708 (relating to payments in lieu of taxes).

(2) To each school district, 80¢ per acre for each acre of land in the school district for which a payment is made under the Forest Reserves Municipal Financial Relief Law or under 34 Pa.C.S. §

708.

(3) To each township, 80¢ per acre for each acre of land in the township for which a payment is made under the Forest Reserves Municipal Financial Relief Law or under 34 Pa.C.S. § 708.

(c) Transfer to Property Tax Relief 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 the Property Tax Relief Fund established in section 1409 (relating to Property Tax Relief Fund).

§ 1409. Property Tax Relief Fund.

(a) Establishment.—There is hereby established in the State Treasury a special fund to be known as the Property Tax Relief Fund, which shall receive money from the State Gaming Fund and any other money from any source designated for deposit in the Property Tax Relief Fund.

(b) Use of money.—Money in the Property Tax Relief Fund shall be used for local property and wage tax relief as specified by law and is hereby appropriated.

CHAPTER 15

ADMINISTRATION AND ENFORCEMENT

1501. Responsibility and authority of department.

1502. Liens and suits for taxes.

1503. Applicants to provide tax information.

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1511. Declaration of exemption from Federal laws prohibiting slot machines.

1512. Public official financial interest.

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1515. Repeat offenders excludable from licensed gaming facility.

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1519. (Reserved).

1520. Automated teller machines.

1521. Liquor licenses at licensed facilities.

1522. Special provisions related to criminal history background investigations for persons participating in harness or horse racing or operation of slot machines.

§ 1501. Responsibility and authority of department.

(a) General rule.—The department is authorized to administer and collect taxes imposed under this part and interest imposed under section 806 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and promulgate and enforce rules and regulations to carry out its prescribed duties in accordance with this part, including the collection of taxes, penalties and interest imposed by this part.

(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 part.

(c) Procedure.—For purposes of implementing this part, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 1203 (relating to temporary regulations).

(d) Additional penalty.—Any person who fails to timely remit to the department or the State Treasurer amounts required under this part shall be liable, in addition to any liability imposed elsewhere in this part, to

a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.

§ 1502. Liens and suits for taxes.

The provisions of this part 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.

§ 1503. Applicants to provide 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 Pennsylvania Liquor Control Board under the Liquor Code consistent with this part.

§ 1504. Wagering on credit.

Slot machine licensees may not extend credit. 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 slot machines.

§ 1505. No eminent domain authority.

Neither the Commonwealth nor any political subdivision thereof 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 facility for the operation of slot machines by a slot machine licensee.

§ 1506. Local land use preemption.

The conduct of gaming as permitted under this part, including the physical location of any licensed facility, shall not be prohibited or otherwise regulated by any ordinance, home rule charter provision, resolution, rule or regulation of any political subdivision or any local or State instrumentality or authority that relates to zoning or land use to the extent that the licensed facility has been approved by the board. The board may, in its discretion, consider such local zoning ordinances when considering an application for a slot machine license. The board shall provide the political subdivision, within which an applicant for a slot machine license has proposed to locate a licensed gaming facility, a 60-day comment period prior to the board's final approval, condition or denial of approval of its application for a slot machine license. The political subdivision may make recommendations to the board for improvements to the applicant's proposed site plans that take into account the impact on the local community, including, but not limited to, land use and transportation impact. This section shall also apply to any proposed racetrack or licensed racetrack.

§ 1507. Inapplicability of Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act.

The act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, shall not apply to taxes or fees payable under this part.

§ 1508. Athletic event gaming.

Nothing in this part 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. Nothing in this part shall be construed to prohibit staging or conducting athletic events at licensed facilities.

§ 1509. Compulsive and problem gambling program.

(a) Establishment of program.—The Department of Health, in consultation with organizations similar to the Mid-Atlantic Addiction Training Institute 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 which provide services as set forth in this section.

(6) Providing reimbursement for organizations for reasonable expenses in assisting the Department of Health in carrying out the purposes of this section.

(b) Compulsive and Problem Gambling Treatment Fund.—There is hereby established in the State Treasury a special fund 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 behavioral problems associated with or related to gambling and for the administration of the compulsive and problem gambling program. The fund shall consist of money annually allocated to it from the annual payment established under section 1408 (relating to transfers from State Gaming Fund), money which may be allocated by the board, 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 automated teller machine location within the licensed facility.

(2) Each racetrack 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 licensed 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 the sign is not posted or printed as provided in this subsection.

(d) Single county authorities.—The Department of Health may make grants from the fund established under subsection (b) to a single county authority created pursuant to the act of April 14, 1972 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol Abuse Control Act, for the purpose of providing compulsive gambling and gambling addiction prevention, treatment and education programs. It is the intention of the General Assembly that any grants that the Department of Health may make to any single county authority in accordance with the provisions of this subsection be used exclusively for the development and implementation of compulsive and problem gambling programs authorized under subsection (a).

(e) Definition.—As used in subsection (d), the term "single county authority" means the agency designated by the Department of Health pursuant to the act of April 14, 1972 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol Abuse Control Act, to plan and coordinate drug and alcohol prevention, intervention and treatment services for a geographic area, which may consist of one or more counties.

§ 1510. Labor hiring preferences.

(a) Category 1, 2, and 3 licensed facilities, generally.—Each licensed gaming entity shall prepare a hiring plan for employees of its respective licensed facility which promotes a diverse work force, minority participation and personnel from within the surrounding geographical area.

(b) Category 1 licensed facilities.—All current employees of a racetrack who meet the employment qualifications, if applicable, within this part and all those covered by a collective bargaining agreement as defined in the National Labor Relations Act (49 Stat. 449, 29 U.S.C. § 151 et seq.) where the licensed racing entity conducts racing shall be given a one-time preference of an offer of employment for a similar position at the licensed facility in a manner consistent with Federal law. If a similar position does not exist at the licensed facility, the employee or person covered by a collective bargaining agreement shall have a one-

time preference of an offer of a position at comparable level at the licensed facility. All current employees and all those covered by a collective bargaining agreement shall have a period of 30 days from the issuance of a slot machine license to request employment at the licensed facility under this section. No current employee covered by this section shall suffer a reduction of salary, benefits or status as a result of an acceptance of new employment in the new facility.

§ 1511. Declaration of exemption from Federal laws prohibiting slot machines.

(a) Declaration.—Pursuant to the Gambling Devices Transportation Act (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 manufacturer and 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.

§ 1512. 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, at or following the effective date of this part, a financial interest in or be employed, directly or indirectly, by any licensed racing entity or licensed gaming entity, or any holding, affiliate, intermediary or subsidiary company, thereof, or any such applicant, nor solicit or accept, directly or indirectly, any complimentary service or discount from any licensed racing entity or licensed gaming 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 during his or hers status as an executive-level State employee, public official or party officer and for one year following termination of the person's status as an executive-level State employee, public official or party officer.

(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 executive 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, with respect to any matter covered by this part or any executive employee who by virtue of his job function could influence the outcome of such a decision.

"Financial interest." Owning or holding securities exceeding 5% of the equity or fair market value of the licensed racing entity or licensed gaming entity, its holding company, affiliate, intermediary or subsidiary business. A financial interest shall not include any such stock that is 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 or receive income during the tenure of office and the period under subsection (a).

"Immediate family." A parent, spouse, minor or unemancipated child, brother or sister.

"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 an executive or legislative 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 authority or joint-state commission.

§ 1513. Political influence.

(a) Contribution restriction.—An applicant for a slot machine license, manufacturer license or supplier license, licensed racing entity, licensed manufacturer, licensed supplier or licensed gaming entity, or a person that holds a gaming license or permit or a controlling interest in a gaming license or permit in another jurisdiction, or any holding, affiliate, intermediary or subsidiary company thereof, or any officer, director, or key employee of such applicant, licensed manufacturer or licensed supplier, licensed racing entity or licensed gaming entity or any

holding, affiliate, intermediary or subsidiary company thereof, shall be prohibited from 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 applicant for a slot machine license, manufacturer license or supplier license, licensed racing entity, licensed supplier, licensed manufacturer or licensed gaming entity shall annually certify, under oath, to the board and the Department of State that such applicant or licensed racing entity or licensed gaming entity has developed and implemented internal safeguards and policies intended to prevent a violation of this provision and that such applicant or licensed racing entity or licensed gaming entity has conducted a good faith investigation that has not revealed any violation of this provision during the past year.

(c) Penalties.—The first violation of this section by a licensed gaming entity or any person that holds a controlling interest in such gaming entity, or a subsidiary company thereof, and any officer, director or management-level employee of such licensee shall be punishable by a fine of not less than an average single day's gross terminal revenue of the licensed gaming entity derived from the operation of slot machines in this Commonwealth; 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 gaming entity and a fine not less than an average two days' gross revenue of the licensed gaming 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 gaming entity. The first violation of this section by a manufacturer or supplier licensed pursuant to this part or by any person that holds a controlling interest in such manufacturer or supplier, or a subsidiary company thereof, and any officer, director or management-level employee of such a licensee shall be punishable by a fine of not less than one day's average of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding 12-month period (or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for 12 months); a second violation of this section within five years of the first violation shall be punishable by a one-month suspension of the license held by the manufacturer or supplier and a fine of not less than two times one day's average of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding 12-month period (or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for 12 months). In no event shall the fine imposed under this section be in an amount less than \$50,000 for each violation. In addition to any fine or sanction that may be imposed by the board, any person who makes a contribution in violation of this section commits a misdemeanor of the third degree.

§ 1514. Regulation requiring exclusion of certain persons.

(a) General rule.—The board shall, by regulation, provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

(b) Categories to be defined.—The board shall promulgate definitions establishing those categories of persons who shall be excluded pursuant to this section, including cheats and persons whose privileges for licensure or registration have been revoked.

(c) Discrimination prohibited.—Race, color, creed, national origin or ancestry or sex shall not be a reason for placing the name of any person upon a list under this section.

(d) Sanctions.—The board may impose sanctions upon a licensed gaming entity in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any licensed facility any person placed by the board on the list of persons to be excluded or ejected.

(e) List not all-inclusive.—Any list compiled by the board of persons to be excluded or ejected shall not be deemed an all-inclusive list,

and a licensed gaming entity shall have a duty to keep from the licensed facility persons known to it to be within the classifications declared in this section and the regulations promulgated under this section, whose presence in a licensed facility would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, as defined in standards established by the board.

(f) Notice.—Whenever the board places the name of any person on a list pursuant to this section, the board shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person.

(g) Hearing.—Within 30 days after notice in accordance with subsection (f), the person named for exclusion or ejection may demand a hearing before the board, at which hearing the board shall have the affirmative obligation to demonstrate that the person named for exclusion or ejection satisfies the criteria for exclusion established by this section and the board's regulations. Failure to demand a hearing within 30 days after service shall be deemed an admission of all matters and facts alleged in the board's notice and shall preclude a person from having an administrative hearing, but shall in no way affect the right to judicial review as provided in this section.

(h) Review.—If, upon completion of a hearing on the notice of exclusion or ejection, the board determines that placement of the name of the person on the exclusion list is appropriate, the board shall make and enter an order to that effect, which order shall be served on all slot machine licensees. The order shall be subject to review by the Commonwealth Court in accordance with the rules of court.

§ 1515. Repeat offenders excludable from licensed gaming facility.

A licensed gaming entity may exclude or eject from its licensed facility any person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of any licensed facility. Nothing in this section or in any other law of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility any person who disrupts the operations of its premises, threatens the security of its premises or its occupants or is disorderly or intoxicated.

§ 1516. List of persons self-excluded from gaming activities.

(a) General rule.—The board shall provide by regulation for the establishment of a list of persons self-excluded from gaming activities at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities.

(b) Regulations.—The regulations of the board shall establish procedures for placements on and removals from the list of self-excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self-excluded persons and shall require licensed gaming entities to establish procedures designed, at a minimum, to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentary, check cashing privileges, club programs and other similar benefits.

(c) Liability.—A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility while on the list of self-excluded persons.

(d) Disclosure.—Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self-excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by

affiliated licensed gaming entities.

§ 1517. Enforcement.

(a) Powers and duties.—The Pennsylvania Gaming Control Board and Bureau of Investigations and Enforcement shall have the following powers and duties:

(1) Promptly investigate all licensees, permittees and applicants as directed by the board, in accordance with the provisions of section 1202 (relating to general and specific powers).

(2) Enforce the rules and regulations promulgated under this part.

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

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

(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 or licensed facility to ensure compliance with this part and the regulations of the board and, in the course of inspections, review and make copies of all documents and records that may be required through on-site observation and other reasonable means to assure compliance with this part and regulations promulgated under this part.

(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 bureau 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 part.

(b) Powers and duties of the department.—

(1) The department shall at all times have the power of access to examination and audit of any equipment and records relating to all aspects of the operation of slot machines under this part.

(2) Notwithstanding the provisions of section 353(f) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the department shall supply the board, the bureau, the Pennsylvania State Police and the Office of Attorney General with information concerning the status of delinquent taxes owned by the applicant, licensee or permittee.

(c) Powers and duties of the Pennsylvania State Police.—The Pennsylvania State Police shall have the following powers and duties:

(1) Promptly investigate all licensees, permittees and applicants as directed by the board, in accordance with the provisions of section 1202.

(2) Enforce the rules and regulations promulgated under this part.

(3) Initiate proceedings for any violations of this part or regulations promulgated under this part.

(4) Provide the board with all information necessary for all actions under this part for all proceedings involving enforcement of this part or regulations promulgated under this part.

(5) Inspect a licensee's or permittee's person and personal effects present in a licensed facility under this part while that licensee or permittee is present as a licensed facility.

(6) Enforce the criminal provisions of this part and all other criminal laws of the Commonwealth.

(7) Fingerprint applicants for licenses and permits.

(8) Exchange fingerprint data with and receive national criminal history record information from the FBI for use in investigating applications for any license or permit under this part.

(9) Receive and take appropriate action on any referral from the board relating to criminal conduct.

(10) Require the production of any information, material and other data from any licensee, permittee or applicant.

(11) Conduct administrative inspections on the premises of

licensed racetrack or nonprimary location or licensed facility to ensure compliance with this part 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 onsite observation and other reasonable means to assure compliance with this act and regulations promulgated under this part.

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

(13) A member of the Pennsylvania State Police assigned to duties of enforcement under this part shall not be counted toward the complement as defined in the act of December 13, 2001 (P.L.903, No.100), entitled "An act repealing in part a limitation on the complement of the Pennsylvania State Police."

(d) Criminal action.—

(1) The district attorneys of the several counties shall have authority to investigate and to institute criminal proceedings for any violation of this part.

(2) 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 investigate and to institute criminal proceedings for any violation of this part or any series of such violations involving any county of this Commonwealth and another state. No person charged with a violation of this part by the Attorney General shall have standing to challenge the authority of the Attorney General to investigate or prosecute the case, and, if any such challenge is made, the challenge shall be dismissed and no relief shall be available in the courts of this Commonwealth to the person making the challenge.

(e) Inspection, seizure and warrants.—

(1) The bureau, the department and the Pennsylvania State Police shall have the authority, without notice and without warrant, to do all of the following in the performance of their duties:

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

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

(3) To further effectuate the purposes of this part, the bureau and the Pennsylvania State Police may obtain administrative warrants for the inspection and seizure of property possessed, controlled, bailed or otherwise held by an applicant, licensee, permittee, intermediary, subsidiary, affiliate or holding company.

(f) Information sharing and enforcement referral.—With respect to the administration, supervision and enforcement of this part, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General may obtain or provide pertinent information regarding applicants, licensees or permittees from or to law enforcement entities or gaming authorities of the Commonwealth and other domestic, foreign or federally approved jurisdictions, including the Federal Bureau of Investigation, and may transmit such information to each other electronically.

§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.—

(1) The provisions of 18 Pa.C.S. § 4902 (relating to perjury), 4903 (relating to false swearing) or 4904 (relating to unsworn falsi-

fication to authorities) shall apply to any person providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General, as required by this part.

(2) It is unlawful for a person to willfully:

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

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

(3) 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 licensed facility by a person other than a person licensed or permitted by the board pursuant to this part.

(4) It is unlawful for any licensed entity or other person to manufacture, supply or place slot machines into play or display slot machines on the premise of a licensed facility without the authority of the board.

(5) Except as provided for in section 1326 (relating to license renewals), 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.

(6) (i) Except as set forth in paragraph (2), it is unlawful for an individual on the premises of a licensed facility 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.

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

(7) (i) Except as set forth in paragraph (2), it is unlawful for an individual on the premises of a licensed facility to use or possess a cheating or thieving device, counterfeit or altered billet, ticket, token or similar objects accepted by a slot machine, or counterfeit or altered slot machine-issued tickets or vouchers.

(ii) An authorized employee of a licensee or an employee of the board may possess and use a cheating or thieving device, counterfeit or altered billet, ticket, token or similar objects accepted by a slot machine, or counterfeit or altered slot machine-issued tickets or vouchers only in performance of the duties of employment.

(iii) As used in this subsection, the term "cheating or thieving device" includes, but is not limited to, a device to facilitate the alignment of any winning combination or to remove from any slot machine money or other contents. The term includes, but is not limited to, a tool, drill, wire, coin or token attached to a string or wire and any electronic or magnetic device.

(8) (i) 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 facility a key or device designed for the purpose of and suitable for opening or entering any slot machine or coin box.

(ii) An authorized employee of 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.

(9) 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 this part.

(10) 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 part without first obtaining the requisite license or permit as provided for in this part.

(11) It is unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission under the Race Horse Industry Reform Act, or

that has had that license suspended, to operate slot machines at the racetrack for which its license was issued unless the license will be subsequently reissued or reinstated within 30 days after the loss or suspension.

(12) It is unlawful for a licensed entity to employ or continue to employ in a position the duties of which require a license or permit under the provisions of this part:

(i) An individual not licensed or permitted under the provisions of this part.

(ii) An individual who is prohibited from accepting employment from a licensee.

(13) It is unlawful for any person under 18 years of age to be permitted in the area where slot machines are operated.

(b) Criminal penalties and fines.—

(1) (i) A person that violates subsection (a)(1) commits an offense to be graded in accordance with 18 Pa.C.S. § 4902, 4903 or 4904, as applicable, for a first conviction. A person that is convicted of a second or subsequent violation of subsection (a)(1) commits a felony of the second degree.

(ii) A person that violates subsection (a)(2) through (12) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2) through (12) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12), a person shall be sentenced to pay a fine of:

(A) not less than \$75,000 nor more than \$150,000 if the person is an individual;

(B) not less than \$300,000 nor more than \$600,000 if the person is a licensed gaming entity; or

(C) not less than \$150,000 nor more than \$300,000 if the person is a licensed manufacturer or supplier.

(ii) For a second or subsequent violation of subsection (a)(1) through (12), a person shall be sentenced to pay a fine of:

(A) not less than \$150,000 nor more than \$300,000 if the person is an individual;

(B) not less than \$600,000 nor more than \$1,200,000 if the person is a licensed gaming entity; or

(C) not less than \$300,000 nor more than \$600,000 if the person is a licensed manufacturer or supplier.

(c) Board-imposed administrative 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 part or regulations promulgated under this part or committing any other offense or violation of this part 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 part or regulations promulgated under this part 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 or attempting to violate 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 licensed gaming entity for violation of or attempting to violate any provisions of this part or regulations promulgated under this part relating to its slot machine operations.

(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).

(3) In addition to any other fines or penalties that the board may impose under this part or regulation, if a person violates subsection (a)(2), 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.

§ 1520. Automated teller machines.

The board shall promulgate rules and regulations governing the placement of automated teller machines (ATMs).

§ 1521. Liquor licenses at licensed facilities.

(a) Reapplication.—Nothing in this part shall require a person 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 authority.—Notwithstanding any other provision of law, a person 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 sell, furnish or give liquor or malt or brewed beverages on the unlicensed portion of the licensed gaming facility so long as the liquor or malt or brewed beverages remain on the facility.

(c) Nonlicensees.—Notwithstanding any other provision of law, a slot machine licensee 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 restaurant liquor or eating place retail dispenser license as permitted by section 472 of the Liquor Code. The following shall apply:

- (1) Licenses issued under this section shall not be subject to:
 - (i) The proximity provisions of sections 402 and 404 of the Liquor Code.
 - (ii) The quota restrictions of section 461 of the Liquor Code.
 - (iii) The provisions of section 493(10) of the Liquor Code except as they relate to lewd, immoral or improper entertainment.
 - (iv) The prohibition against minors frequenting as described in section 493(14) of the Liquor Code.
 - (v) The cost and total display area limitations of section 493(20)(i) of the Liquor Code.

In addition, licenses issued under this section shall not be subject to the provisions defining "restaurant" or "eating place" in section 102 of the Liquor Code.

(2) Absent good cause shown consistent with the purposes of this part, the Pennsylvania Liquor Control Board shall approve an application for the license filed by a licensed gaming entity within 60 days.

CHAPTER 18 FINGERPRINTING

Sec.

- 1801. Duty to provide.
- 1802. Submission of fingerprints.
- 1803. Commission exemption.
- 1804. Board exemption.
- 1805. Reimbursement.

§ 1801. Duty to provide.

Notwithstanding the provisions of the Race Horse Industry Reform Act or this part, the Pennsylvania State Police shall at the request of the

commissions or the board, provide criminal history background investigations, which shall include records of criminal arrests or convictions, on applicants for licensure by the respective agencies pursuant to the Race Horse Industry Reform Act or this part. Requests for criminal history background investigations may, at the direction of the commissions or the board, include but not be limited to, officers, directors and stockholders of licensed corporations, key employees, gaming employees, horse owners, trainers, jockeys, drivers and other persons participating in thoroughbred or harness horse meetings and other persons and vendors who exercise their occupation or employment at such meetings, licensed facilities or licensed racetrack. For the purposes of this chapter, the board and commissions shall be deemed law enforcement agencies.

§ 1802. Submission of fingerprints.

Applicants under this chapter shall submit to fingerprinting by the Pennsylvania State Police. The Pennsylvania State Police shall submit the fingerprints if necessary, to the Federal Bureau of Investigation for purposes of verifying the identity of the applicants and obtaining records of criminal arrests and convictions in order to prepare criminal history background investigations under section 1801 (relating to duty to provide). The applicant shall pay for the cost of fingerprinting.

§ 1803. Commission exemption.

A commission may exempt applicants for positions not related to the care or training of horses, racing, wagering, security or the management of licensed corporations from the provisions of this chapter.

§ 1804. Board exemption.

The board may exempt applicants who are not gaming employees or key employees from the provisions of this chapter.

§ 1805. Reimbursement.

The commissions and board shall reimburse the Pennsylvania State Police for actual costs incurred, as approved by the board, for the conducting of investigations under this part.

CHAPTER 19 MISCELLANEOUS PROVISIONS

Sec.

- 1901. Appropriations.
- 1902. Severability.
- 1903. Repeals.
- 1904. Exclusive jurisdiction of Supreme Court.

§ 1901. Appropriations.

(a) Appropriation to board.—The sum of \$7,500,000 is hereby appropriated to the Pennsylvania Gaming Control Board for the fiscal period July 1, 2004, to June 30, 2006, to implement and administer the provisions of this part. The money appropriated in this subsection shall be considered a loan from the General Fund and shall be repaid to the General Fund quarterly commencing with the date slot machine licensees begin operating slot machines under this part. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(b) Appropriation to department.—The sum of \$21,100,000 is hereby appropriated from the General Fund to the Department of Revenue for the fiscal period July 1, 2004, to June 30, 2006, to prepare for, implement and administer the provisions of this part. The money appropriated under this subsection shall be considered a loan from the General Fund and shall be repaid to the General Fund quarterly commencing with the date slot machine licensees begin operating slot machines under this part. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(c) Appropriation to Pennsylvania State Police.—The sum of \$7,500,000 is hereby appropriated from the General Fund to the Pennsylvania State Police for the fiscal period July 1, 2004 to June 30, 2006, to prepare for, implement and administer the provisions of this part. The money appropriated under this subsection shall be considered a loan from the General Fund and shall be repaid to the General Fund quarterly commencing when all slot machine licensees begin operating slot machines under this part. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

§ 1902. Severability.

(a) General rule.—Except as provided in subsection (b), the provisions of this part are severable. If any provision of this part or its application to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application.

(b) Limitation.—If any of the provisions of section 1201 (relating to Pennsylvania Gaming Control Board established) or 1209 (relating to slot machine license fee) or their application to any person or circumstance are held to be invalid by any court, the remaining provisions of this part and its application shall be void.

§ 1903. Repeals.

(a) Inconsistent.—The following acts and parts of acts are repealed insofar as they are inconsistent with this part:

Section 493(29) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

The provisions of 18 Pa.C.S. § 5513 (a).

(b) General.—All other acts and parts of acts are repealed insofar as they are inconsistent with this part.

§ 1904. Exclusive jurisdiction of Supreme Court.

The Pennsylvania Supreme Court shall have exclusive jurisdiction to hear any challenge to or to render a declaratory judgment concerning the constitutionality of this part. The Supreme Court is authorized to take such action as it deems appropriate, consistent with the Supreme Court retaining jurisdiction over such a matter, to find facts or to expedite a final judgment in connection with such a challenge or request for declaratory relief.

Section 2. 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 would expand gaming at Pennsylvania's racetracks and provide for 12 venues of gaming and 2 resort venues for gaming, and I want to thank the Chamber for their patience and indulgence these last few days. It has been 8 years that I have been proposing putting slot machines at racetracks and expanding gaming in a limited way to help the racetracks of Pennsylvania, to help the horsemen, and help the people who work at these racetracks.

I have Philadelphia Park in my district which is on 475 acres, and they have 1,000 employees there. It provides many, many jobs to my community, and it also provides a million dollars in property taxes every year to my local school districts. So, I thank you for these last few days. This has been a very complicated and difficult bill to get drafted, and I want to thank Senator Fumo for his cooperation and work, and I want to thank Representatives Veon and DeWeese who worked on this daily with us, and Speaker Perzel.

Before I get into the bill, I would really like to thank some of my staff. Our staff has worked tirelessly on this, and I would like to thank Fran Cleaver, who is my legal eagle on this and who contacted gaming States in Nevada and California and New Jersey, and who contacted attorneys general and law enforcement agencies to make sure that we made this one of the toughest gaming provisions that you could have, and I believe confidently that we have provided for one of the toughest commissions that we could have in any gaming State in the United States. I want to thank my staff members Jim Cawley and Megan Crompton for their hard work, and I want to thank Senator Conti, who worked very hard on this legislation with me and who lent me Vicki Wilken, who did a lot of the enforcement language for us. I want to thank Christopher Craig from Senator Fumo's office and Dan Coyne, who worked tirelessly in trying to draft this amendment. And to prove that this was not only a bipartisan effort but an effort that was worked from the Senate and the House, I want to

thank Audrey Powell and George Bedwick from the House Democratic Caucus, and I want to thank Brian Preski, Ed Hussie, and Joe Murphy, many of the legal staff and people who put countless hours into this to try to draft what we think is one of the better and strictest gaming bills that you could propose in the State of Pennsylvania.

As I said 8 years ago, I stood up here and we passed a bill out of the Senate to provide for slot machines at racetracks, and we have gone a little further than the four racetracks that I initially intended for. I wanted to go to six, and eventually we did pass eight, but tonight we stand here to vote on a bill that would provide for eight racetracks and four stand-alones, or maybe seven racetracks and five stand-alones, with two resort licenses that would have limited gaming, 500 slot machines per location, and it must be a resort with at least 275 rooms in its hotel.

Out of this, Madam President, I think we have done a tremendous amount of good for the State of Pennsylvania. Out of this, we will derive 34-percent tax, which is an extremely high amount of tax on a gaming institution. For instance, in Atlantic City they tax at 10 percent, in Las Vegas they tax at 6 1/2 percent, but we will provide 34 percent of this that goes directly into property tax reduction, and we think this will provide a billion dollars to the citizens and taxpayers of Pennsylvania, a billion dollars of money that does not come from a shift of one tax to another, but it comes from the money that comes out of gaming and goes directly into property tax reduction. There will be something that I fought very hard for, and that is 4 percent for the local share. We do expect traffic problems, we do expect some infrastructure problems, so we provided for 4 percent to go into the local share, and we think that the communities that are hosting these need this money to help them with some of that infrastructure.

We also have in this purses for the horsemen and breeders of Pennsylvania of 18 percent, and the horsemen in Pennsylvania would get a purse of 18 percent. At my track alone at Philadelphia Park, a purse of 18 percent will provide an additional \$240,000 a day in purses added to the \$100,000 a day they are now racing for, and this will provide for some of the best horse-racing anywhere in the United States. The people who live and work at my track, the people who own these horses, the people who work and train these horses, the people who cut the grass and drive the tractors, the people who work on the back stretch and clean out the stables and do the hard work that is done around the track, this is going to benefit their jobs and not only make their life a little better, but it is also going to provide for more jobs at that back stretch area, besides the jobs that it is going to provide for on the gaming side. We already have 1,000 jobs there, and we think we will have another 2,000 jobs just at Philadelphia Park.

Besides that, because we are going to pool the money to nontrack venues, because there will be so many racetracks and so many nontracks, we will be able to pool the money and then also get another 5 percent that we think will go into an economic and tourism fund that we think will help every part of Pennsylvania. It will certainly help Philadelphia and its Convention Center. It will certainly help Pittsburgh and its airport, and some of the other infrastructure problems and debt problems that they have in the city of Pittsburgh.

I think we have spread this money around better than any

other State. We have put it in the agricultural community, the horse community, into communities themselves, into tax reduction, and now we put it into a fund that we can use to help our Convention Centers, projects, and the rest of the State of Pennsylvania. So, I think that we have done that. We have now put a burden on the gaming industry of around 52 to 54 percent, which means that that is one of the highest burdens that we have put on anybody. Besides that, we have now allowed for an upfront fee of \$50 million that has to be paid before this gaming license is granted. We are taxing and putting a burden on our gaming industry so that we can benefit a wide variety, a broad spectrum of people in the State of Pennsylvania. I am very proud of this accomplishment, and I want to thank all those legislators and their staff who have helped me do that.

You know, I understand that there is going to be a lot of controversy about this, and I know there are people who do not like gaming and they think it is going to do bad things to Pennsylvania. But, when you weigh in the balance the good that I think we produced here, and the very fact that people in Pennsylvania are already gaming, people in Pennsylvania by the millions leave our State every day, thousands of trips and millions of people spending billions and billions of dollars, Pennsylvanians spend \$4 billion out of State right now, today, that is money that we could keep here in this Commonwealth and put to good use, the uses that I have just outlined to you. You know, it is amazing, that does not even mention the illegal gaming that goes on, and it does not even mention the fact that we have gaming right now and we are probably one of the biggest gaming operators of any State, and that is the Pennsylvania Lottery.

There are people who do not like gaming, and I am sure there are people here who are going to speak against gaming and they would like to do away with the Lottery, but the Lottery provides \$800 million in benefits to senior citizens across Pennsylvania. So, ladies and gentlemen, we are gaming in Pennsylvania, and we are gaming and using that money for the good in Pennsylvania, and Pennsylvanians have decided they are gaming. They are gaming with their feet, they are moving to Atlantic City, to Delaware, they are moving to West Virginia, and gaming in big dollars, and I just want to keep some of that here. As a matter of fact, with the location of Philadelphia Park, I am hoping that we can attract a few of those gamers to come from New Jersey to Pennsylvania and spend some of that money here so we can keep that here for property tax reduction, for our communities, for our schools, and for the things that we think are important in Pennsylvania.

I know we are going to have several speakers get up and tell us how bad this is, but I am reminded of the movie "Casablanca." Claude Raines, who was in the movie, was speaking to Humphrey Bogart said, oh my gosh, I cannot believe there is gambling going on in here. This is outrageous. Call the police and let us stop this gambling right now. Let us shut this down. This is an outrage. And with that, up comes a guy who says, here you are, Inspector, here are your winnings. Well, you know what, people in Pennsylvania know there is gaming going on in Pennsylvania, they are spending dollars, and the people who do not want us to do anymore expansion gaming are outraged that there is gaming going on in Pennsylvania and they think they are going to stop it but they are not going to stop it, but worse than that,

they are accepting the money from the Lottery. They will accept the money that provides good service to senior citizens, to the PACE program, to senior programs, the Department of Aging. They will condemn the gaming, but they will accept the good. Well, I think on the balance here, we are only doing what is the obvious here. We are only doing what the people of Pennsylvania have in many polls said they want us to do. They want to expand gaming at racetracks. They even agreed to expand the gaming at some other venues other than racetracks, and we are going to take that money in very large proportion and give that money right back to the people of Pennsylvania. So, instead of spending that money in Atlantic City and doing no good, they could spend that money here, and instead of people going to Atlantic City, New Jersey, or West Virginia or Canada or New York or other locations and spending that money on tourism, and the \$4 billion that these people spend out of State on gaming, which does not account for the dollars they spend on tourism, I want to bring that money back here and put it to good use.

I am only trying to legislate the obvious, and the obvious is Pennsylvanians are gaming and they are gaming with big dollars, and Pennsylvanians want gaming in Pennsylvania. So, Madam President, with that I leave my remarks and just say this: I think that we have provided for in this bill some of the finest protections. We are creating a commission that I think is going to be one of the strongest commissions, provide some of the strongest oversights to make sure this operation is a clean operation and a good operation. We have done all our research with States that game, and we have taken all those very, very strong provisions and drafted them into this legislation so that we made sure that only good, clean business people are able to be involved in this, and anybody who is involved in organized crime or anybody who is undesirable or not even financially fit is not going to be able to participate in this gaming. This commission is being empowered with tremendous oversight ability, with tremendous and very, very in-depth background checks into peoples' background, to make sure that these people are fit morally, physically, and financially to run these operations.

So with that, Madam President, I would ask for an affirmative vote on my amendment.

Thank you.

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

Senator FUMO. Madam President, I will speak on the amendment in a minute. To explain to the Members, rather than to get into a situation that we had last night, where we were running back to the Legislative Reference Bureau and changing this master amendment, for lack of a better term, what we decided to do this morning is shut that one down at 9:30 so that the opponents of this could put their amendments together. But, there was still clean-up, and I have three amendments to clean that up. The first one I would like to offer is A3129.

The PRESIDENT. Senator Fumo offers an amendment. The Clerk will read the amendment to the amendment.

FUMO AMENDMENT A3129 TO
AMENDMENT A3055

Senator FUMO offered the following amendment No. A3129

to amendment No. A3055:

Amend Amendments, page 1, by inserting between lines 28 and 29:

18. Fingerprinting

Amend Amendments, page 19, lines 19 through 41, by striking out all of said lines and inserting:

(f) Return of slot machine license fee.—

(1) The entire one-time slot machine license fee of \$50,000,000 for each Category 1 and Category 2 slot machine license shall be returned to each licensee in the event section 1201 (relating to Pennsylvania Gaming Control Board established), 1202 (relating to general and specific powers) or 1307 (relating to number of slot machine licenses) is amended or otherwise altered by an act of the General Assembly within five years following the initial issuance of any slot machine licenses pursuant to section 1301 (relating to authorized slot machine licenses), to change:

- (i) the composition of the board;
- (ii) the number, voting powers or members of the board;
- (iii) the manner in which members are nominated or appointed to the board;
- (iv) the length of term for which each member serves;
- (v) the general jurisdiction of the board in a manner that impairs or otherwise reduces the board's licensing authority; or
- (vi) section 1307 to increase the statutory maximum number of permissible licensed facilities.

Amend Amendments, page 19, line 43, by inserting after "described": pursuant to paragraph (1)

Amend Amendments, page 19, line 46, by striking out "all" and inserting: any

Amend Amendments, page 32, line 39, by inserting after "is": similarly

Amend Amendments, page 32, lines 43 and 44, by striking out "without the necessity of a" in line 43 and all of line 44 and inserting: after conducting an evaluation of the information relating to the applicant from such other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information, in whole or in part, into its evaluation of the applicant.

Amend Amendments, page 32, line 47, by striking out "abbreviated" and inserting: alternate

Amend Amendments, page 32, line 49, by inserting after "license": , including financial viability of the licensee,

Amend Amendments, page 34, line 59, by inserting after "is": similarly

Amend Amendments, page 35, lines 5 and 6, by striking out "without the necessity of a full application" in line 5 and all of line 6 and inserting: after conducting an evaluation of the information relating to the applicant from such other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information, in whole or in part, into its evaluation of the applicant.

Amend Amendments, page 35, line 9, by striking out "abbreviated" and inserting: alternative

Amend Amendments, page 35, line 11, by inserting after "license": , including financial viability of the licensee,

Amend Amendments, page 42, line 38, by striking out "slot machine license applicant or"

Amend Amendments, page 46, line 40, by inserting after "projects,": job training,

Amend Amendments, page 47, line 33, by inserting after "projects.:" job training,

Amend Amendments, page 47, line 52, by striking out "434"

Amend Amendments, page 47, line 59; page 48, lines 1 and 2, by striking out all of said lines on said pages and inserting:

- (iv) If the facility is a Category 3 licensed facility, 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or organizations within the county or rede-

velopment authorities within the county for grants for economic development projects and community improvement projects.

Amend Amendments, page 50, line 15, by striking out "hall" and inserting: shall

Amend Amendments, page 52, line 18, by striking out "county" and inserting: municipal

Amend Amendments, page 52, line 20, by striking out "counties" and inserting: municipalities

Amend Amendments, page 55, line 48, by striking out "section" and inserting: sections

Amend Amendments, page 55, line 48, by inserting after "(c)": and 318(a)

Amend Amendments, page 55, lines 50 and 51, by striking out "and any other applicable statutory provision"

Amend Amendments, page 55, line 52, by removing the period after "project" and inserting: , and any other statutory provision, if any, necessary to effectuate the release of funds appropriated in such economic development capital budget.

Amend Amendments, page 57, lines 29 and 30, by striking out "and (b)" and inserting: , (b), (c) and (d)

Amend Amendments, page 62, line 40, by inserting after "a" where it appears the last time: similar

Amend Amendments, page 63, line 1, by inserting after "entity" where it appears the first time: , licensed supplier, licensed manufacturer

Amend Amendments, page 66, line 40, by striking out "as" and inserting: at

Amend Amendments, page 72, lines 31 and 32, by striking out "shall be deemed law" in line 31, all of line 32 and inserting: may receive information otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

Amend Amendments, page 72, line 34, by striking out "chapter" and inserting: part

Amend Amendments, page 73, lines 47 through 51, by striking out all of said lines and inserting: repealed as follows:

(1) Section 493(29) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, is repealed absolutely.

(2) The provisions of 18 Pa.C.S. § 5513(a) are repealed insofar as they are inconsistent with this part.

(b) General.—All other acts and parts of acts are repealed

On the question,

Will the Senate agree to amendment A3129 to amendment A3055?

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

Senator FUMO. Madam President, this amendment corrects an L, a Legislative Reference Bureau paragraph autoreturn problem, with the return of the license fee provision, corrects a Legislative Reference Bureau insert that incorrectly triggered the multiple license prohibition for applicants, clarified that local share money can be used for job training programs, clarifies the requirement that local sheriff and resorts is to be processed through DCED, corrects a misspelling on page 50, corrects a Legislative Reference Bureau classification error on page 52, inserts a proper citation to the capital budget bill, creates a cross-cite problem on page 57, and corrects omitted language on page 32.

I ask for its adoption.

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

Senator BRIGHTBILL. Madam President, my understanding is that this amendment is basically a technical amendment, and I do not believe there is any objection to the amendment to the amendment.

The PRESIDENT. The Chair recognizes the gentleman from

Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I thank the Majority Leader.

And the question recurring,
Will the Senate agree to amendment A3129 to amendment A3055?
It was agreed to.

On the question,
Will the Senate agree to amendment A3055, as amended?

FUMO AMENDMENT A3204
TO AMENDMENT A3055

Senator FUMO offered the following amendment No. A3204 to amendment No. A3055:

Amend Amendments, page 65, lines 32 and 33, by striking out "Pennsylvania Gaming Control Board and"

On the question,
Will the Senate agree to amendment A3204 to amendment A3055?

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

Senator FUMO. Madam President, this is to put the language in compliance with the *Lyoness* decision.

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

Senator BRIGHTBILL. Madam President, if we could just have a moment to take a look at the amendment.

(The Senate was at ease.)

Senator BRIGHTBILL. Madam President, it is agreed to.

And the question recurring,
Will the Senate agree to amendment A3204 to amendment A3055?
It was agreed to.

And the question recurring,
Will the Senate agree to amendment A3055, as amended?

FUMO AMENDMENT A3209
TO AMENDMENT A3055

Senator FUMO. Madam President, on behalf of Senator Rhoades, who wanted to offer this amendment but I got it, I offer the following amendment.

Senator FUMO offered the following amendment No. A3209 to amendment No. A3055:

Amend Amendments, page 62, line 13, by striking out "5%" and inserting: 1%

Amend Amendments, page 62, lines 30 through 35, by striking out all of said lines and inserting:

"Public official." Any person elected by the public or elected or appointed by a governmental body or an appointed official in the executive, legislative or judicial branch of this Commonwealth or any politi-

cal subdivision thereof, provided that it shall not include members of advisory boards that have no authority to expend public funds other than reimbursement for personal expense or to otherwise exercise the power of the Commonwealth or any political subdivision or commissioner of any authority or joint-state commission.

On the question,
Will the Senate agree to amendment A3209 to amendment A3055?

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

Senator FUMO. Madam President, this lowers the amount that an official could have an interest in an operation from 5 percent down to 1 percent, which puts it in compliance with New Jersey law.

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

Senator BRIGHTBILL. Madam President, I am going to ask the gentleman, Senator Fumo, to withdraw this temporarily. We have other amendments that will be offered. I plan to offer an amendment to this amendment to make the percentage zero. I do not believe that any Member of the General Assembly should be permitted to own any interest in a gaming facility, and I would then have an amendment to offer to that amendment to make it zero.

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

Senator FUMO. Madam President, I ask that this amendment be adopted. While we all would like to see it read zero, everybody in this room, or at least I think most of the people in this room and throughout the Commonwealth who are elected officials, own securities in deferred compensation plans and things of that nature that have publicly traded company stocks in them that contain these entities. For example, Penn National is a publicly traded company. I would not want to see a public official get in trouble criminally because in his retirement plan with Merrill Lynch or somebody they happen to own some stock in Penn National. That is why 1 percent was determined. I doubt very much if any official would go out and try to buy 1 percent just of a gambling operation, so we have that in there as a safeguard. I think it is reasonable. If the Chamber votes "no," then we will have to look at something else, but I ask for an affirmative vote.

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

Senator BRIGHTBILL. Madam President, I am informed by counsel that my suggested procedure of an amendment to that amendment is improper since it would be an amendment to an amendment, which we do not permit. That being said, I would still ask that the gentleman withdraw the amendment to develop language that deals with a contingency that he talked about rather than even permitting an elected official to own 1 percent. I mean, we heard the numbers that came from Senator Tomlinson. We are talking about facilities that allegedly are going to develop \$250,000 a day just for the horsemen. This is big money, and 1 percent is a lot of money in the world that we are going to be dealing with, so it is up to the gentleman. He can force a vote, but I am going to ask him, I think it

is in the best interest of the Commonwealth to have that be zero and have language developed that would mean that if someone owns a publicly-traded fund that happens to have a gambling facility, that they would not be criminally liable.

I would add that the 1 percent does not insulate. If somebody owns a lot of a publicly-traded fund that happens to have a lot of gambling, you could well go over the 1 percent. So, I am making that request to the gentleman.

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

Senator FUMO. Madam President, in response to that, and I hate to be persistent, but the problem is with a publicly-traded company, in order for you to own 1 percent of the ultimate product, which would be the gaming stock, and you have stock in say Merrill Lynch's retirement fund, they would have to own 70 or 80 percent of that public company and you would have to own a substantial amount of that to ever get close to 1 percent. What we are trying to do here is try to make this law enforceable and reasonable and not unreasonable. I recognize that the opponents of this whole concept are going to try to find ways to defeat it with minutia. This is New Jersey law, which is the standard in this country for the toughest laws there are regarding this issue, and I see no reason to go any further, particularly when we are talking about minuscule amounts of money.

I ask for an affirmative vote.

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

Senator BRIGHTBILL. Madam President, we are going to be here tonight for a while. It does not have to be a publicly-traded company. What this amendment means is that if you have a privately-held company that owns a gambling or slot facility, a Member of the General Assembly could own 1 percent. An "aye" vote would be a vote to have Members of the General Assembly own 1 percent of a gambling facility. A "nay" vote would be against that. Now, I do not want to put that vote up right now, I would rather try to work out some language so that we can accomplish the same purpose, but if the gentleman wants to do that, we will do that.

The PRESIDENT. Senator Fumo, will you withdraw the amendment temporarily?

Senator FUMO. May we be at ease for a moment?

The PRESIDENT. Yes, the Senate will be at ease.

(The Senate was at ease.)

AMENDMENT A3209 TO AMENDMENT A3055 WITHDRAWN TEMPORARILY

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

Senator FUMO. Madam President, I will agree to temporarily withdraw that amendment, and hopefully by the end of the debate, Mr. MacNett will have a better suggestion for us. We have tried our damndest and this is the best we could come up with, so we will yield to his expertise and long history in this Chamber of coming up with solutions.

The PRESIDENT. Senator Fumo temporarily withdraws amendment A3209.

And the question recurring,

Will the Senate agree to amendment A3055, as amended?

MOTION TO TABLE BILL AND AMENDMENTS

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

Senator ARMSTRONG. Madam President, House Bill No. 2330 had to deal with the criminal history of persons involved in horseracing, that is what it was. We have now encompassed a 70-some page amendment, which is probably one of the most far-reaching bills we have ever had in Pennsylvania. It involves, hopefully, approximately \$3 billion worth of revenue. This has totally bypassed the normal legislative process. There has been no bill out there for us to look at until this morning. We finally saw a bill, although yesterday we had parts of it, but this morning we saw the final bill. There were no hearings, there has been no public involvement. The House of Representatives on the other side is totally shut out of the process because it will come back to them to concur or nonconcur. This involves last-minute deals. We have to rush this thing through because we have to get out of here for the 4th of July.

I move to table this bill and its amendments for further study, Madam President.

The PRESIDENT. Senator Armstrong moves to table the bill and its amendments.

On the question,

Will the Senate agree to the motion?

The PRESIDENT. The motion is not debatable.

The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

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

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

Senator BRIGHTBILL. Madam President, as I understand it, what we have then is a motion by Senator Armstrong to table the bill.

The PRESIDENT. And the amendments.

Senator BRIGHTBILL. Is it to table both?

The PRESIDENT. Yes, it is.

Senator BRIGHTBILL. 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-19

Armstrong	Jubelirer	Piccola	Waugh
Brightbill	Lemmond	Punt	Wenger
Dent	Madigan	Rafferty	White, Mary Jo
Gordner	Mowery	Robbins	Wonderling
Greenleaf	Oric	Thompson	

NAY-31

Boscola	Hughes	O'Pake	Tartaglione
Conti	Kasunic	Pileggi	Tomlinson
Corman	Kitchen	Pippy	Wagner
Costa	Kukovich	Rhoades	White, Donald
Earll	LaValle	Scarnati	Williams, Anthony H.
Erickson	Logan	Schwartz	Williams, Constance
Ferlo	Mellow	Stack	Wozniak
Fumo	Musto	Stout	

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 A3055, as amended?

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

Senator ARMSTRONG. Madam President, I would like to interrogate the maker of the amendment.

The PRESIDENT. Will the maker of the amendment, Senator Tomlinson, stand for interrogation?

The gentleman indicates that he will. You may proceed.

Senator ARMSTRONG. Madam President, I find it somewhat interesting that we started out talking about "Casablanca" and gambling, and then we talk about Rick and the inspector and Rick paying off the inspector. That is probably what this debate is going to be about. With gambling, you have other things that go with it. But I would like a breakdown. We have been told for many, many months that this is going to solve a lot of problems in Pennsylvania. I would just like to know what the forecast is. What can we expect? What are the estimates of revenue that we are going to receive in Pennsylvania for permitting this large-scale gambling? I guess we will be second in the nation on slot machines, behind Nevada, if this goes through. So, I would like to know what we are forecasting as far as revenues?

Senator TOMLINSON. Well, first of all, Madam President, the payoff in my parallel was the PACE program. I mean, the payoff here is the benefit to the people. The only payoff here is what we are going to give back to the people. They are going to be businessmen, but the payoff in my parallel was the payoff back to the people, and that is what I was trying to explain. But is the gentleman's question specifically on revenues?

Senator ARMSTRONG. Madam President, yes, that is correct.

Senator TOMLINSON. Madam President, in respect to?

Senator ARMSTRONG. Madam President, how much revenue will this generate in a given year? I have heard forecasts of up to \$3 billion. Is that accurate?

Senator TOMLINSON. Madam President, we project, when all the facilities are up and running, and it is going to take years for that to happen, you might have a few of the racetracks up and running in maybe 18 months to 2 years, and then it will take about 3 or 4 years before any of the other facilities are up and running, but assuming once all the facilities are up and running, you are probably talking projections anywhere from \$2.4 billion to \$2.9 billion gross revenue.

Senator ARMSTRONG. Madam President, in approximately 3 years or so?

Senator TOMLINSON. Madam President, 3 to 4 years, probably.

Senator ARMSTRONG. Madam President, and then the State would receive approximately one-third of that, I believe, 34 percent is our take, so we are in line to receive close to a billion dollars, \$900-plus million. All right. One of the things that is better than it was originally is that there is a fee for these casinos and these racetracks of \$50 million, and I applaud the gentleman for putting that in there. But, I am just curious, how did the gentleman came up with \$50 million? What is that based on?

Senator TOMLINSON. Madam President, actually, I do not want any fee at all. I agreed to \$50 million, so you will have to ask somebody else about the \$50 million. I still maintain that if Las Vegas and Nevada had taxed at the rate we tax, they would be raising \$5 billion. Our burden right now is over 52 percent on these owners. In Atlantic City, the tax burden is 10 percent, so that means they have a 90-percent take. We do not have that. I was never in favor of the upfront fee, but I agreed to it, so you will have to ask someone who is in favor of that.

Senator ARMSTRONG. Madam President, I saw Senator Fumo raise his hand. Is he interested in answering that?

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

Senator FUMO. Madam President, I am always available to my good friend, Senator Armstrong, to answer questions and enlighten him in any way that I can.

I originally took a look at this and thought that we might want to auction these licenses. I was not successful in being able to negotiate that. As you know, in trying to put together legislation in the Senate, you need 26 votes and you have to figure out how to get there. I then proposed \$125 million. That did not fly, and we were finally able to get to \$50 million. I want to point out that we are the first State in the nation to get anything like that. I think the average fee in America is about \$100,000. It is a substantial amount of money. I have also taken a look, since I originally had the position on auctioning, at the two experiences where licenses were actually auctioned off. One was in Illinois recently where I believe it was Isle of Capri that won an auction, and from what I understand now, there are enormous investigations going on about that situation, both criminally and otherwise, and in addition to that, I think they are now at a point where they cannot perform because they bid so much. The other situation was in the city of New Orleans, where they have riverboats and they are unlimited, but the downtown casino was auctioned, and I forget who won the casino, but it was a major company, and they no sooner won it and got it up and operating when it could not perform, and they came back and negotiated and got their money back. So in the two situations in the United States where auctions were held, they both proved impractical. So, I took the best I could get. If I could have gotten 60, believe me, Senator, I would have gotten 60. But as you know, this is a complicated process and there are a lot of issues in here and there was a lot of give and take. This was a bill that was negotiated between Democrats and Republicans in the Senate as well as Democrats and Republicans in the House, and there was a lot of horse trading.

Senator ARMSTRONG. Madam President, I noticed in the bill that if the composition of the board is changed, increased, decreased, then we have to return the total \$50 million to the

people to whom we issued the license. So that is a hit of probably \$500 million to \$600 million we would have to take just because we changed the composition of the board. What is the reasoning for that?

Senator FUMO. Madam President, this is the same Chamber that changed the way the PUC was confirmed and a lot of other things, so it is not beyond the realm of possibility that on whim or political fortune that they may decide to change this. Remember, this is not just a slots bill and this is not just property tax reform, although the benefits of property tax reform are enormous, in the nature of \$1 billion a year. I believe the gentleman was asking how much we were going to get back. In addition to that, this is an enormous economic development tool. Each one of these operations, I am projecting, will spend on a minimal average, a low average, of \$100 million a piece. Some of them will spend \$200 million and \$300 million in building their facilities. In order to do that, they are going to have to go to Wall Street, and I know Senator Armstrong is familiar with the public markets. They are going to have to go to Wall Street and when they do, they are going to have to give them some degree of stability. Wall Street is going to say they had a bad experience in Illinois, where for a while the tax was 14 percent, and they lent money based on that. On the whim of the General Assembly it became 40 percent, immediately changing the cash flow and endangering the investments.

So, what we did in this bill was to give stability and predictability to the agencies that are going to be lending money to these entities and said, not only for a change in composition in the board, but also if we decided to increase the taxes, or if we decided to increase the number of venues, all of which affect the value of the operation and therefore the value of the entity that is receiving the money. At that point in time, this is like legislative discipline, we will have to give back money. Now the original proposal has been changed slightly. After 5 years there starts to be a reduction in the amount of money that has to be given back. But that is the reasoning for that and all the other reasons for triggering that.

Senator ARMSTRONG. Madam President, so my understanding is they are totally protected for \$50 million for 5 years. We can change nothing, we cannot change the board, we cannot add a riverboat. If in 4 1/2 years we add a riverboat, all of a sudden they get all their money back.

Senator FUMO. Madam President, that is true.

Senator ARMSTRONG. Madam President, there is nothing we can do. If they sneeze or hiccup, they get their money back, it seems.

Senator FUMO. Madam President, in answer to that, if the gentleman wants to talk about introducing an amendment to add riverboats that he wants to support, and then support the bill, I would be glad to figure out a new formula. But I doubt very much that he wants to do that, and so all I can say, Madam President, is this is the best we could do. It is not ideal, it is not perfect, but then again I do not know of a piece of legislation that we ever passed that was. This is the best that we can do, and if it does not suit your taste, I urge you and ask you and beg you to vote "no." But to sit here and have you ask me how many angels can dance on the head of a pin does not really move the process forward.

Senator ARMSTRONG. Well, Madam President, I am not asking that. I think these are reasonable questions.

Senator FUMO. Madam President, I gave reasonable answers.

Senator ARMSTRONG. Madam President, I know the gentleman was a proponent of Indian gaming. I guess I should use the word as it is, gambling.

Senator FUMO. Madam President, point of order. I was not a proponent of Indian gaming, and if the gentleman wants me to explain what my position was, he can ask me.

Senator ARMSTRONG. Well, Madam President, let us say that down the road the Indians make some inroads into Pennsylvania, and let us say, somehow in 4 1/2 years, almost 5 years from now, all of a sudden they are awarded a license in Pennsylvania to operate a riverboat or a casino or a track, what happens to that \$50 million we got from each one of these casinos? Do we have to give it back to them?

Senator FUMO. Madam President, the circumstances that I think the gentleman is talking about are Indian tribes being recognized by the Federal government through BIA IGRA. If in fact that did happen and those Federal gaming licenses were issued, it would not trigger a refund of the \$50 million, because that would not be a State action, that would be a Federal action.

Senator ARMSTRONG. Madam President, there are parts in there about political contributions. Could one of you explain how you tightened it up as far as political contributions, how we stop political contributions, and how strong that is as far as people in industry making contributions to political figures?

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

Senator TOMLINSON. Madam President, there could be no political contributions from any of the companies, key employees of the companies to a candidate, a PAC, or a State committee. And not only that, but the CEO of the corporation must certify that there were not any contributions made to any candidate or any elected official or a PAC or a committee or State committee.

Senator ARMSTRONG. Madam President, so, if I was the owner of a casino, I am forbidden to make a contribution to some national organization that in turn could funnel back to some political figure, or I cannot give it to a law firm who acts as a lobbyist and they in turn could give the money to some political figure. How do you check on that? How do you make sure that happens?

Senator TOMLINSON. Madam President, I know that you cannot make it to a State committee, or any PAC in the State, or to anyone in this State.

Senator ARMSTRONG. Madam President, how about a law firm that is a lobbying firm?

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

Senator FUMO. Madam President, if I may add to the enlightenment. What occurs here is, this is similar in nature to Sarbanes-Oxley, where the CEO and the CFO have to certify that their employees have not done this. That also means that they have not done it in a nefarious or conspiratorial fashion. So, if they are obviously laundering money for the purpose of subverting the act, they are in violation, in the same way if they decided to make a cash payoff to somebody, they are in violation of another law. The real fact of the matter is, it has been my experience that these people are pretty damn cheap, and once you say

they cannot give, they will be happy to have an excuse, so I do not think you will have that problem.

Senator ARMSTRONG. Madam President, we will see.

The board members have only 2-year terms. I do not know of any agency up here, maybe I am mistaken, the PUC, Liquor Control, trustees, all the boards that we appoint people to, I do not know of any that are 2 years. Why a 2-year term? You would think you would want these people as independent as possible, and now we are saying you can only have 2-year terms.

Senator FUMO. Madam President, the reason, first of all, the Governor's terms are 3 years, the legislative appointees are 2 years. The reasoning for that is that every 2 years you have a change in legislative leadership, and you may in fact have a change in the person making the appointments to those various boards. In addition, they are limited in their terms, there is no question about that, to 6 years of full terms. The idea there is that you want to rotate people through and you do want to make sure that they are honest and have integrity. I might add, just today, Barry Kauffman from Common Cause was quoted in I believe it was The Inquirer or The Patriot as having said that the genius of this board is that it absolutely prohibits things from being rail-roaded through and being run through. I never expected to get praise from Common Cause for anything I did, but I will always accept it. I think when you have an entity as clean and as morally straight as Common Cause, which very rarely agrees with us, when they think this board is a good idea, I do not know who else I have to convince.

Senator ARMSTRONG. Madam President, I know with 2-year terms people feel they have to satisfy the person who appointed them, and if they do not satisfy the person who appointed them, then they will be replaced very quickly. So, really, they should be almost like the Supreme Court, totally independent. One term of 6, 8 years and that is it, they cannot be touched, they will make the right decision.

I do have a few amendments that I would like to offer.

ARMSTRONG AMENDMENT A3178 TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3178 to amendment No. A3055:

Amend Amendments, page 44, line 53, by inserting after "fund." In the event that the total daily taxes and local share assessments collected annually are less than \$800,000,000, the difference between the taxes collected and \$800,000,000 shall be paid by the licensees with each licensee paying a portion of the difference in proportion to the licensee's contribution to the total annual taxes and assessments collected.

On the question,

Will the Senate agree to amendment A3178 to amendment A3055?

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

Senator ARMSTRONG. Madam President, we just talked to two Senators and they told us basically what amount of revenue you could expect to receive 3 years down the road. They are

talking \$3 billion, and the State in turn would receive about \$1 billion. What I would like to do is what they have done for some of the cities of the second class or third class in this bill. I know that if the city of Erie does not get the \$10 million that it is guaranteed, if the 2 percent does not amount to \$10 million, the difference is made up by the casino owners. Now, they are getting a pretty large handle here and we are supposed to be getting a billion dollars. All I am saying is, 3 years down the road, if we do not have \$800 million--I am giving a 20-percent discount--if we do not have \$800 million, the percentage is automatically changed so that we, in turn, the people of Pennsylvania who think they are getting property tax reductions, they will make sure that they will get that and at least there will be \$800 million. If it goes to \$780 million, the casinos will have to come up with \$20 million. I think it is only fair. So, we are promising the people this, we are promising a billion dollars. I am saying, let us back it off, I will give you the benefit of the doubt, you will not get the revenues you think you are going to get, but let us be fair, \$800 million, I think, is a pretty fair number.

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

Senator FUMO. Madam President, could we be at ease for a moment?

The PRESIDENT. The Senate will be at ease.

(The Senate was at ease.)

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

Senator FUMO. Madam President, I ask for a negative vote on this. We have been very careful in the way in which this bill has been structured and what we have done with the money. The citizens of the Commonwealth will be the beneficiary of not only a billion dollars in tax relief, but also an additional \$630 million in the other taxes that we talked about. So it is \$1,630,000,000, which is 52 percent. And what this amendment is doing is making the people who are running these operations guarantee that we get that kind of money. One of the things that we wanted to do here, and this was at a meeting where we were talking actually about property tax reform, and I agreed that we did not want the Commonwealth to underwrite gambling activities in the Commonwealth, so we took the money and put it into tax reduction rather than in a program. We are not running education with this money. If we had done that, then we would have an obligation, if gaming revenues were off, to fund that. This is just a punitive measure that says to people, you have to make this money, or else.

Now, I find it particularly ironic that Senator Armstrong would be offering this, because one of the methods that these operators would use to make sure that they got this kind of money in the door would go out to try to get people to gamble who maybe would not want to gamble. So this is encouraging those operators to market even more aggressively than they normally would, and I know that is not the end result that he wants. In fact, I suspect he will vote "no" too.

Thank you, Madam President.

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

Senator ARMSTRONG. Madam President, quite to the contrary, I am actually giving a reduction of 20 percent so they do

not have to be as aggressive as they normally would be and they could back off a little bit and everyone would be happy. They would have their \$800 million, the people would get their property tax reduced. We have been promised a billion dollars. I am saying, good, that is great, I hope we get it. How about \$800 million? No, we cannot even guarantee you this. I think this first amendment just shows you what this is all about, and it is not about property tax reform, it is not. It is about the gambling interests. And \$800 million, I think, is a fair number, and if the people do not get their \$800 million, let us rearrange the percentages so that the casinos can make that up, and I ask for an affirmative vote.

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

Senator FUMO. Madam President, there is no other jurisdiction in the world that has this kind of requirement on operators, number one. Number two, if I thought by adopting this amendment Senator Armstrong would vote for this bill, I might be tempted to vote for it, but I have to recognize that his intent tonight is not to vote for this bill, but to try to make it so unattractive that nobody else will. So I am asking for a negative vote, with all due respect to my colleague from Lancaster.

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

Senator TOMLINSON. Madam President, I call for a negative vote on this. I just want to re-emphasize that it is more than the 34 percent in property tax reduction. It is 4 percent that will be different at every location in every community. It could be \$10 million, \$20 million, in the city of Philadelphia it could be \$24 million, \$25 million. Every individual place is different. Then on top of that you have purses for horses, which is another 8 percent from each location, but to start out it is 12 percent. And then on top of that you have 5 percent to go into the economic development and tourism fund. So, it is not just about the \$34 million.

Just as a comparison, the neighbor that we have to compete with from Philadelphia Park, Atlantic City, they have a 10-percent tax. That is it, nothing more. We have a 34-percent tax and a 4-percent tax, then we have 12 percent for purses and 5 percent for the economic development fund, which brings that burden anywhere between 52 and 54 percent, depending on how the purse structure works out. That leaves the owner with 45 to 48 percent. Of that 45 or 48 percent, he has to build the building, and we know there is going to be well over a billion dollars in building construction jobs going on with that money. He has to hire the people, and we know that we are going to have thousands and thousands of employees with that, and he has to borrow money and run the operation, and the racetrack facilities have to run the racetrack with that money. So, with what he has left, the owner still has to pay his taxes, he still has to pay his 40-percent tax on top of that out of his 40-percent take.

So, as I tried to say earlier, I think we put a substantial burden on these places, and some of the markets really are going to have a difficult time making it with that burden. The southeast market and the southwest market will probably do okay, but some other markets, if you put too much more burden on them or you try to raise the fee, all it does is kill that. So I disagree with this amendment. I think that we have placed a big enough burden between

purses for horsemen and taxes for local communities and taxes for economic development funds and taxes for property taxes. I think that we have taken a bigger swipe out of this than New Jersey or Las Vegas, which is 6 1/2 percent. So I think that the idea that we can get a little bit more, either in an upfront fee or in auctioning the licenses and get more to the State, is just something to try to kill this bill, and I oppose the amendment.

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

Senator ARMSTRONG. Madam President, I do not care about what the local community, I mean I do, but the 4 percent they get or the horsemen, I do not care. The 34 percent is what we are supposed to get for property tax reduction. That is what we have been promised, and now they are saying, \$800 million, a 20-percent discount of what you were promising, and you cannot even guarantee me that. I do not understand this. The people were promised tax relief, property tax relief, that is what you promised them, a billion dollars. I am saying give us \$800 million. I am giving you a 20-percent discount. You cannot even meet it. I do not care about the other stuff, the taxes they pay. You promised us one-third of the take and you are not delivering it, and you cannot guarantee it. I am not even asking for one-third, I am down to 20 percent. You cannot make it. If it is so good a deal, why will they not guarantee it?

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

Senator FUMO. Madam President, I would just ask for a negative vote. As I said, there is no other licensing entity, country, or State in the world that requires this. No one has said we promise a billion dollars. What we have always said, and hear me out, that when this is up in full swing, we are projecting \$3 billion, which will yield \$1 billion. If it only, I will tell you what, if it only yields a half a billion dollars, I do not know any taxpayer who is going to be upset. And when we did the Pennsylvania Lottery, we did not ask for a guarantee of the amount of money it generated. We had the same problem then, and we passed it by 26 votes because of all the naysayers, and now we go forward 30 years and there are senior citizens by the hundreds of thousands who have benefitted from that and are very grateful that we took that risk. This is not a risk on the downside, this is a risk on the upside. There are no guarantees in life, as the gentleman knows, so I ask for a negative vote rather than belabor the debate.

And the question recurring,

Will the Senate agree to amendment A3178 to amendment A3055?

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

YEA-20

Armstrong	Greenleaf	Orie	Thompson
Brightbill	Jubelirer	Piccola	Waugh
Dent	Lemmond	Punt	Wenger
Earll	Madigan	Rafferty	White, Mary Jo
Gordner	Mowery	Robbins	Wonderling

NAY-30

Boscola	Kasunic	Pileggi	Tomlinson
Conti	Kitchen	Pippy	Wagner
Corman	Kukovich	Rhoades	White, Donald
Costa	LaValle	Scarnati	Williams, Anthony H.
Erickson	Logan	Schwartz	Williams, Constance
Ferlo	Mellow	Stack	Wozniak
Fumo	Musto	Stout	
Hughes	O'Pake	Tartaglione	

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

SPECIAL ORDER OF BUSINESS
 GUEST OF SENATOR NOAH W.
 WENGER PRESENTED TO THE SENATE

The PRESIDENT. We interrupt the proceedings for the gentleman from Lancaster, Senator Wenger, to introduce a guest in the gallery.

Senator WENGER. Madam President, on this special evening in midst of this stimulating debate, it is my pleasure to introduce a summer intern, Miss Rachel Masey. Rachel has been interning with my office in Harrisburg and also in my district offices. She is from the borough of Lititz, and will be a sophomore at Magill University in Montreal, Canada. She has served on the mayoral campaign of the Honorable Russell Pettyjohn, who is the mayor of Lititz, and he is also her grandfather. She is a volunteer at Lititz Springs Park and volunteers at her church. She is trying to decide whether she will be a political science major or an international studies major at McGill University. I would say that whatever Rachel decides, I am sure she will be very successful and has my best wishes. I ask that the Senate to give her our usual welcome.

Thank you, Madam President.

The PRESIDENT. Would you please rise so we can give you a warm welcome.

(Applause.)

And the question recurring,

Will the Senate agree to amendment A3055, as amended?

ARMSTRONG AMENDMENT A3195
 TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3195 to amendment No. A3055:

Amend Amendments, page 18, lines 32 through 38, by striking out all of said lines and inserting:

(a) Auction of licenses.—Within 60 days after the composition of the board and its first organizational meeting, the board shall initiate a public auction of slot machine licenses. The sale of the license shall be conditional on the successful bidder's ability to satisfy the eligibility requirements as provided in this section. The auction shall be conducted in such a manner as to maximize the hammer price for each license. In no case may a license of any category be sold for a bid lower than \$100,000,000.

(a.1) Auction procedures.—The board shall adopt procedures and regulations to prevent bid rigging and collusion among bidders and to facilitate the conduct of the public auction in such a manner as to maxi-

mize the hammer price for each license. The open and competitive bidding process shall adhere to the following procedures:

(1) The board shall make applications for slot machine licenses available to the public and allow a reasonable time for applicants to submit applications to the board.

(2) During the filing period for slot machine license applications, the board shall retain the services of an investment banking firm to assist the board in conducting the open and competitive bidding process. The investment banker shall compile a list of potential bidders who the investment banker shall notify about the opportunity to participate in the bidding. Persons expressing interest in the auction shall receive information on bidding procedures and related requirements. The investment banker shall also send the auction information to all potential bidders recommended by various interested parties.

(3) A bidder shall submit a noncontingent bid proposal to purchase the license. The bid proposal shall include at least the following:

(i) The consideration to be paid by the prospective purchaser.

(ii) A list of conditions to closing and other contingencies.

(iii) Projected financial statements through 2009 for the bidder.

(iv) A date until which the bidder agrees to keep the offer open and irrevocable.

(4) After receiving all of the bid proposals, the board shall open all of the proposals in public and disclose the bidder's names, venture partners, if any, and the locations of the proposed development sites.

(5) No later than six business days after opening the bid proposals, the investment banker shall deliver to the board a summary analysis of each bid proposal.

(6) The board shall evaluate the proposals within a reasonable time and select no more than three final bidders to participate in an auction.

(7) By agreeing to participate in the auction, each bidder is agreeing that its bid proposal shall remain irrevocable until the date provided in the bid proposal. The date shall not be less than 30 days following the auction.

(8) The three final bidders shall make presentations to the board on the same day during an open session of the board. As soon as practicable after the presentations, the board, in its discretion, may conduct further negotiations, and each final bidder may increase its bid or otherwise enhance its bid proposal.

(9) After the presentation of the bid proposals to the board, the board shall select a winning bid. If the winning bidder is unable to complete the licensing process, including if the bidder does not meet the eligibility requirements for a license, the board may select a winning bid from the remaining bidders.

(a.2) Revoked or nonrenewed licenses.—If a slot machine license terminates or expires without renewal or if the board revokes or determines not to renew a slot machine license and the revocation or determination is final, the board may reissue the license to a qualified applicant pursuant to the open and competitive bidding process set forth in this section.

Amend Amendments, page 18, line 46, by striking out "no" and inserting: an

Amend Amendments, page 18, lines 46 and 47, by striking out "pursuant to subsection (a)" and inserting: of \$10,000,000

Amend Amendments, page 26, lines 28 through 35, by striking out all of said lines

Amend Amendments, page 26, line 36, by striking out "(e)" and inserting: (d)

On the question,

Will the Senate agree to amendment A3195 to amendment A3055?

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

Senator ARMSTRONG. Madam President, this is the infamous auction amendment, and I think we all know what this is. Instead of just letting them have it for \$50 million, which is really a bargain basement price, and that is not a price that we are setting, that is the price that I think they are willing to pay, because at one time they were going to give these things away and then some people started squawking, and the gambling industry came back and said, oh, we will pay you \$50 million. It is a nice amount. It is better than nothing, but it is nowhere near the value. Well, how do you know that? The last time we debated this, there were no auctions. Since that time, there have been some, and the Senator from Philadelphia referred to one briefly, but let me explain to you what it was. In Rosamond, Illinois, a city of about 75,000, about 70, 80 miles north of Chicago, they had a license, so they thought they would auction it off. It was for only 1,500 slot positions, not all slots, but maybe some other types of games, but 1,500 slots. Ours are 3,000 to expand up to 5,000, so they are double to triple the amount of this casino. So, they put it up for auction. Penn National said before, oh, auctions will not work. Guess who bid? Penn National bid over \$500 million for this: They lost. The Isle of Capri won. Over \$500 million for the right to have 1,500 slot machines in a relatively small city. This tells you the worth.

Now locally, Chester Downs in Chester, Delaware County, there is nothing there. The people who own that, they have a license, that is it. No track, in fact, I do not think they own the land. If I am not mistaken, I think they only have an option. I think at one time the State owned that land and through economic development, I think we gave it to the Delaware County Redevelopment Authority for a dollar. Now, I believe it is 60 acres. That land was bought at an auction by three gentlemen, and they have been waiting for gambling to come around. Well, a week and a half, 2 weeks ago, guess what? Harrah's said, I think we will buy into that. We would like 50-percent interest. What is 50-percent interest on a potential racetrack? Well, one day it is worth almost nothing, and then they gave them, settled, \$275 million for 50 percent of the racetrack and the potential casino. Well, double that, that is \$550 million. That is the real value of one of these racinos or casinos.

Now, it is pretty easy, I know some of you have MBAs. You know, all you have to do is figure out how much you get from a slot machine, how many slot machines you have, how much you get a day times 365 and take out your expenses and you have a net profit. Most slot machines bring in about \$250 a day, 4,000 machines, that is \$1 million, times 365, \$365 million. Take out your expenses and everything else, you boil it down, your gross profit is \$40 million. That is what they are going to make. That is the average of what these casinos are going to make. Now, how much is \$40 million a year income worth to you? If someone came up to you and said, here is a business, it will generate \$40 million a year gross profit in your pocket, how much will you pay for that? Any industry, anyone in the business can tell you there is a capitalization rate. It is 5, 8, 10 times that number. You dicker about what is out there as far as the buildings or the growth potential, or other things, but there is a number, 5 times 40, \$200 million; 8 times 40, \$320 million. We are talking be-

tween \$300 million to \$400 million is what they are worth, probably more, and we are letting people have them for \$50 million.

I think they should be auctioned off. I think it is time for Pennsylvania to do something different and say there is a value here. If we had the State Stores, would we give away our State Stores to our friends? I do not think so. In fact, I believe that it was Senator Fisher, the former Attorney General, he had a bill at one time to auction off all the State Stores and it would have generated billions and billions of dollars. Here is an opportunity for us, the residents of Pennsylvania, to put over \$3 billion in their pocket, upfront, right away, and have property tax relief in 6 months, but we are giving it away for \$40 million or \$50 million. I think it is a travesty, and I think we should auction them off.

I encourage people to vote "aye."

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

Senator FUMO. Madam President, I would ask for a negative vote on this amendment as well for the comments and the arguments that we made before about auctioning when we were in the previous debate, and I would also like to remind the gentleman that Senator Fisher's bill did not get passed either.

Thank you.

And the question recurring,

Will the Senate agree to amendment A3195 to amendment A3055?

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

YEA-21

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earl	Mowery	Robbins	
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	

NAY-29

Boscola	Kasunic	Pileggi	Wagner
Conti	Kitchen	Rhoades	White, Donald
Corman	Kukovich	Scarnati	Williams, Anthony H.
Costa	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 amendment A3055, as amended?

M.J. WHITE AMENDMENT A3156
TO AMENDMENT A3055

Senator M.J. WHITE offered the following amendment No. A3156 to amendment No. A3055:

Amend Amendments, page 5, by inserting between lines 48 and 49: "Immediate family." A parent, spouse, child, brother or sister.

Amend Amendments, page 10, lines 49 and 50, by striking out ", the member's spouse and any minor or unemancipated children and" and inserting: or the member's immediate family. Each member, the member's spouse and any minor or unemancipated child

Amend Amendments, page 10, line 52, by inserting after "member": and the member's spouse and any minor or unemancipated children

Amend Amendments, page 62, lines 22 and 23, by striking out all of said lines

On the question,

Will the Senate agree to amendment A3156 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, when gambling at the racetracks was first proposed, I actually voted for it. It was presented as something to save the tracks. I thought it was a relatively minimum expansion of gambling. I thought it was a good thing to do and I voted for it, and I wish I could turn the clock back and we were standing here voting for that bill today, because I think we would be in a far different situation. Unfortunately, that concept and bill has morphed into something that I cannot possibly support, that is basically a regressive tax that I think is just very bad public policy for Pennsylvania. That being said, as the late Senator Bell used to say, I can count, and I certainly have been paying attention to the counting that is going on here today.

I would like to break that pattern, perhaps, by offering an amendment that I think improves the bill in the likelihood that it passes, fixes something that I think, perhaps, was inadvertent. It is very important, Madam President, that the people of this Commonwealth have confidence that this program, once implemented, is being implemented fairly, supervised fairly, and that the people who are charged with watching it are not guided by vested interests. Now, you heard the provision about the 5 percent, I agree, 5 percent is too high, and I have another amendment that will address that and perhaps, hopefully, address Senator Fumo's concerns. But, in the meantime, the amendment I am proposing addresses the fact of disclosures of interest. It is interesting to me that on page 10 of the Tomlinson amendment the gaming control board, who has all kinds of power, incredible power to administer this entire program, decide the winners and losers with millions and millions of dollars at stake, is required to disclose the interest of all interests, their interests, their financial interests, in licensed facilities and all securities in licensed facilities and applicants held by the member of the commission and his spouse, his or her spouse, and minor child. That is it. That is the extent of the disclosure.

Now, when you look at the definition of "immediate family," when we get to elected officials, public officials on page 62 of the Tomlinson amendment, elected officials, including members of the executive cabinet, the Governor, including you, Madam President, including me as a Member of this elected body, we are not only required to report for ourselves, but for our immediate family, and our immediate family is currently described in the bill as a parent, a spouse, a child, a brother, or a sister. Now, it is inconceivable to me that we, who have relatively little control

over this entire process, are subjected to the much broader panoply of disclosure, while a gaming official, a member of the commission, is limited to himself, his spouse, and a minor, unemancipated child. I have to believe this is an oversight, Madam President. So, what this amendment does is it moves the definition of "immediate family" to the beginning of the bill and it poses that same requirement on Members of the legislature, members of the executive staff, and gaming control board members. I hope that in the interest of public confidence that the Members would be able to support this amendment.

Thank you.

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

Senator FUMO. Madam President, in order to start saving time, I just ask for a negative vote on the amendment.

Thank you.

And the question recurring,

Will the Senate agree to amendment A3156 to amendment A3055?

The yeas and nays were required by Senator M.J. WHITE and were as follows, viz:

YEA-21

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	

NAY-29

Boscola	Kasunic	Pileggi	Wagner
Conti	Kitchen	Rhoades	White, Donald
Corman	Kukovich	Scarnati	Williams, Anthony H.
Costa	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 amendment A3055, as amended?

M.J. WHITE AMENDMENT A3182 TO AMENDMENT A3055

Senator M.J. WHITE offered the following amendment No. A3182 to amendment No. A3055:

Amend Amendments, page 71, line 36, by striking out ", furnish or give"

Amend Amendments, page 71, lines 55 through 58, by striking out all of said lines

Amend Amendments, page 73, lines 48 and 49, by striking out all of said lines

On the question,
Will the Senate agree to amendment A3182 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, the proponents of this bill have exempted the licensed gaming facilities from many provisions of the Pennsylvania Liquor Code. In 2003, I offered an amendment to a Liquor Code bill in the Committee on Appropriations that would prohibit licensed racetracks, at that time that was what we were talking about, that had gambling licenses from giving away or providing liquor to patrons below cost. That amendment was approved by the committee 23 to 1, the bill was then unanimously approved by the Senate and enacted into law. This bill repeals that provision and removes the gambling premises from several other provisions of the Liquor Code, but the one I am particularly objecting to here today is the one that prohibits gambling establishments from giving people free liquor. We know why that is. People go in there, they are given free drinks, they sit there longer at the machines, it clouds their judgment, they gamble more than should and more than they planned to. I simply ask that we reinstate those provisions so that gambling facilities cannot ply people with free liquor.

Thank you.

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

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

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, may I make one other observation. It is also, I believe, unfair to restaurants and other licensed establishments to permit this kind of unfair competition. As I mentioned when I gave my speech against gambling a long time ago, in Shreveport, Louisiana, when I was down there for many years working on business, I observed what happened to the downtown that had restaurants, night clubs, cafes, bars, they disappeared because there was free liquor on the boats. I suggest to you, Madam President, that this is a loss leader, it is unfair to the hospitality industry and the rest of the people who are trying to make a living and trying to keep their doors open, and it is bad public policy for the gamblers.

Thank you.

And the question recurring,
Will the Senate agree to amendment A3182 to amendment A3055?

The yeas and nays were required by Senator M.J. WHITE and were as follows, viz:

YEA-22

Armstrong	Greenleaf	Piccola	Waugh
Brightbill	Jubelirer	Pippy	Wenger
Corman	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gordner	Orie	Thompson	

NAY-28

Boscola	Kasunic	O'Pake	Tartaglione
Conti	Kitchen	Pileggi	Tomlinson
Costa	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	White, Donald
Ferlo	Logan	Schwartz	Williams, Anthony H.
Fumo	Mellow	Stack	Williams, Constance
Hughes	Musto	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 A3055, as amended?

M.J. WHITE AMENDMENT A3211
TO AMENDMENT A3055

Senator M.J. WHITE offered the following amendment No. A3211 to amendment No. A3055:

Amend Amendments, page 12, line 1, by striking out "and" where it appears the second time and inserting a comma

Amend Amendments, page 12, line 3, by removing the period after "Act" and inserting: and 4 Pa. Code Ch. 7 Subch. K (relating to Code of Conduct for Appointed Officials and State Employees).

On the question,
Will the Senate agree to amendment A3211 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, this is basically a one-sentence amendment, very, very simple. Since it is unclear exactly what kind of animal the gaming control board is, because it is somewhat unique, this simply requires that members and employees of the gaming control board be subject to the Governor's Code of Conduct, which is the ethical code to which all of the executive branch persons are required to conform to. I think this is the most basic of good government improvements, and I ask for an affirmative vote.

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

Senator FUMO. Madam President, I ask for a negative vote. It sounds like it might be meritorious, but we would like to move this forward to create jobs, speed tax relief for property tax owners who have been plagued by high taxes, and that is a quote from the former Senate Majority Leader when other people were offering amendments at a late hour.

Thank you.

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

Senator BRIGHTBILL. Madam President, I rise to support the amendment, and I am a little bit disappointed in light of the fact that we do have another amendment to come later that I believe Senator Fumo has an interest in and will support that deals with the interests of the Members of the General Assembly. So, since this bill is going to be reprinted, there is absolutely no reason to be moving along quickly. It is important that we deal with each of these amendments individually.

Now, this particular amendment simply requires that the people on this board are governed by the ethical code of the Governor's Code of Conduct. Now, how can anybody not support that amendment? And I think the fact that someone would get up and flippantly say that we should not support that because we want to move quickly--

POINT OF ORDER

Senator FUMO. Point of order, Madam President.

The PRESIDENT. The gentleman will state his point.

Senator FUMO. Madam President, I object to the gentleman characterizing my remarks as flippant.

Senator BRIGHTBILL. Flippantly.

Senator FUMO. Madam President, well, that is the adverb, and I thought you would understand English when I used it as a noun.

Senator BRIGHTBILL. I repeat myself, Madam President. I think that it is no reason at all. I ask for an affirmative vote, that this amendment can be placed in, this amendment can be supported, and this is a good amendment, Madam President.

Senator FUMO. Madam President, it was the suggestion of other Members that I was asked to contain my remarks because of the lateness of the hour. I might add, Members from both sides of the aisle have asked me to do that. I am willing to be here until 3:00 in the morning debating this, but I tried to accommodate them.

As to this particular amendment, if we want to belabor the point, number one, we got it 30 minutes ago. If it was that important, I think we would have seen it at some point in time prior to that. We were just starting to study it, and what this amendment does is refers to a regulation. This is not even as strong as the statutory provisions that we already have in this bill. It does not refer to any particular statutory code of conduct. Those regulations could be changed at whim, and the last thing I want is this board to be bound by a regulatory authority from the Governor. If they want to adopt a more stringent code of conduct than the one that they are already statutorily under, that is their job, and there are going to be members appointed by each of the leaders of the four caucuses. So, I am assuming that those individuals will be men of integrity, and if they want to go further than the statutory requirements that we have given them, fine, but I do not want to put in an amendment that references the PA Code as a regulation. I ask for a negative vote.

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, well, first of all, perhaps we could get a gaming board with women of integrity. That might move things along a lot.

(Applause.)

Apart from that, complaining about the lateness of receiving these amendments is just the height of indignities. We did not see this bill until today. It was impossible for any of us who had amendments to draft those amendments until very, very late in the day. We either were to have received this final bill yesterday at 11:00, noon, 1:00, 2:00, and it went on until after 9 o'clock at night. We received it today. This is the only opportunity opponents have had to make this bill better, because it has been held

very close to the vest by proponents. We have been absolutely denied any input, any opportunity to see it, and to say that we are just using a delaying tactic here, when some of these are legitimate improvements to make this bill better, is outrageous.

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

Senator FUMO. Madam President, if I may respond to the gentlewoman. This issue has been before this Senate before. We never saw this amendment when we passed our original bill, and if it was that important, I think that there would have been some discussion over the last 6 to 8 months. In addition, Madam President, the gentlewoman received a final version this morning at 9:30 I believe it was sent up, and prior to that, all the other versions that were issued yesterday and the day before and the day before that, never once did anything different in this section. So if she did in fact have the concern that she now expresses at this late hour, and I also know that if this goes in she is still not going to vote for it, but if she had that kind of concern she could have brought it to our attention rather than to come here at this late hour to attempt to subvert the bill and try to cry foul. There has not been a more transparent process in this General Assembly in years. And I regret that she sees it differently than I do, and I respect her opinion, but no one is trying to stifle her voice or her debate. It is just that we have a different point of view. I do not want to reference a regulation when I have a strong statute that supercedes it. I ask for a negative vote.

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

Senator BRIGHTBILL. Would the gentleman stand for interrogation?

The PRESIDENT. Senator Fumo, will you stand for interrogation?

Senator FUMO. No.

Senator BRIGHTBILL. Madam President, I would point out that since we have gotten to the floor on this particular bill, there are proposed Democratic amendments that we have received, and amendments are coming up here in a fashion that one might term late. They have been part of the process for the entire period of time, they are showing up with amendments that are late, and yet they want to ask for negative votes simply because they have had this amendment for only 30 minutes.

Well, Madam President, this amendment is not particularly complex, it is a good government amendment, and I am going to suggest to the gentleman that he really ought to accept the amendment.

And the question recurring,

Will the Senate agree to amendment A3211 to amendment A3055?

The yeas and nays were required by Senator M.J. WHITE and were as follows, viz:

YEA-21

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earl	Mowery	Robbins	

Gordner	Orie	Thompson
Greenleaf	Piccola	Waugh

NAY-29

Boscola	Kasunic	Pileggi	Wagner
Conti	Kitchen	Rhoades	White, Donald
Corman	Kukovich	Scarnati	Williams, Anthony H.
Costa	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 amendment A3055, as amended?

PICCOLA AMENDMENT A3197
TO AMENDMENT A3055

Senator PICCOLA offered the following amendment No. A3197 to amendment No. A3055:

Amend Amendments, page 68, by inserting between lines 12 and 13:

§ 1517.1. Corrupt organizations.

(a) Findings of fact.—The General Assembly finds that:

(1) organized crime is a highly sophisticated, diversified, and widespread phenomenon which annually drains billions of dollars from the national economy by various patterns of unlawful conduct including the illegal use of force, fraud, and corruption;

(2) organized crime exists on a large scale within the Commonwealth of Pennsylvania, engaging in the same patterns of unlawful conduct which characterize its activities nationally;

(3) the vast amounts of money and power accumulated by organized crime are increasingly used to infiltrate and corrupt legitimate businesses operating within the Commonwealth, together with all of the techniques of violence, intimidation, and other forms of unlawful conduct through which such money and power are derived;

(4) in furtherance of such infiltration and corruption, organized crime utilizes and applies to its unlawful purposes laws of the Commonwealth of Pennsylvania conferring and relating to the privilege of engaging in various types of business and designed to insure that such businesses are conducted in furtherance of the public interest and the general economic welfare of the Commonwealth;

(5) such infiltration and corruption provide an outlet for illegally obtained capital, harm innocent investors, entrepreneurs, merchants and consumers, interfere with free competition, and thereby constitute a substantial danger to the economic and general welfare of the Commonwealth of Pennsylvania; and

(6) in order to successfully resist and eliminate this situation, it is necessary to provide new remedies and procedures.

(b) Prohibited activities.—

(1) It shall be unlawful for any person who has received any income derived, directly or indirectly, from a pattern of racketeering activity in which such person participated as a principal, to use or invest, directly or indirectly, any part of such income, or the proceeds of such income, in the acquisition of any interest in, or the establishment or operation of, any enterprise: Provided, however, That a purchase of securities on the open market for purposes of investment, and without the intention of controlling or participating in the control of the issuer, or of assisting another to do so, shall not be unlawful under this subsection if the securities of the issue held by the purchaser, the members of his immediate family, and

his or their accomplices in any pattern of racketeering activity after such purchase, do not amount in the aggregate to 1% of the outstanding securities of any one class, and do not confer, either in law or in fact, the power to elect one or more directors of the issuer: Provided, further, That if, in any proceeding involving an alleged investment in violation of this subsection, it is established that over half of the defendant's aggregate income for a period of two or more years immediately preceding such investment was derived from a pattern of racketeering activity, a rebuttable presumption shall arise that such investment included income derived from such pattern of racketeering activity.

(2) It shall be unlawful for any person through a pattern of racketeering activity to acquire or maintain, directly or indirectly, any interest in or control of any enterprise.

(3) It shall be unlawful for any person employed by or associated with any enterprise to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity.

(4) It shall be unlawful for any person to conspire to violate any of the provisions of paragraphs (1), (2) or (3) of this subsection.

(c) Grading.—Whoever violates any provision of subsection (b) of this section is guilty of a felony of the first degree. A violation of this subsection shall be deemed to continue so long as the person who committed the violation continues to receive any benefit from the violation.

(d) Civil remedies.—

(1) The several courts of common pleas, and the Commonwealth Court, shall have jurisdiction to prevent and restrain violations of subsection (b) of this section by issuing appropriate orders, including but not limited to:

(i) ordering any person to divest himself of any interest direct or indirect, in the enterprise; imposing reasonable restrictions on the future activities or investments of any person, including but not limited to, prohibiting any person from engaging in the same type of endeavor as the enterprise engaged in; and

(ii) making due provision for the rights of innocent persons, ordering the dissolution of the enterprise, ordering the denial, suspension or revocation of charters of domestic corporations, certificates of authority authorizing foreign corporations to do business within the Commonwealth of Pennsylvania, licenses, permits, or prior approval granted to any enterprise by any department or agency of the Commonwealth of Pennsylvania; or prohibiting the enterprise from engaging in any business.

(2) In any proceeding under this subsection, the court shall proceed as soon as practicable to the hearing and determination thereof. Pending final determination, the court may enter preliminary or special injunctions, or take such other actions, including the acceptance of satisfactory performance bonds, as it may deem proper.

(3) A final judgment or decree rendered in favor of the Commonwealth of Pennsylvania in any criminal proceeding under this section shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding under this subsection.

(4) Proceedings under this subsection, at pretrial, trial and appellate levels, shall be governed by the Pennsylvania Rules of Civil Procedure and all other rules and procedures relating to civil actions, except to the extent inconsistent with the provisions of this section.

(e) Enforcement.—

(1) The Attorney General shall have the power and duty to enforce the provisions of this section, including the authority to issue civil investigative demands pursuant to subsection (f), institute proceedings under subsection (d), and to take such actions as may be necessary to ascertain and investigate alleged violations of this section.

(2) The Attorney General and the district attorneys of the several counties shall have concurrent authority to institute criminal proceedings under the provisions of this section.

(3) Nothing contained in this subsection shall be construed to

limit the regulatory or investigative authority of any department or agency of the Commonwealth whose functions might relate to persons, enterprises, or matters falling within the scope of this section.

(f) Civil investigative demand.—

(1) Whenever the Attorney General has reason to believe that any person or enterprise may be in possession, custody, or control of any documentary material relevant to a racketeering investigation, he may issue in writing, and cause to be served upon such person or enterprise, a civil investigative demand requiring the production of such material for examination.

(2) Each such demand shall:

(i) state the nature of the conduct constituting the alleged racketeering violation which is under investigation, the provision of law applicable thereto and the connection between the documentary material demanded and the conduct under investigation;

(ii) describe the class or classes of documentary material to be produced thereunder with such definiteness and certainty as to permit such material to be fairly identified;

(iii) state that the demand is returnable forthwith or prescribe a return date which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction;

(iv) identify a racketeering investigator to whom such material shall be made available; and

(v) contain the following statement printed conspicuously at the top of the demand: "You have the right to seek the assistance of any attorney and he may represent you in all phases of the racketeering investigation of which this civil investigative demand is a part."

(3) No such demand shall:

(i) contain any requirement which would be held to be unreasonable if contained in a subpoena duces tecum issued by any court in connection with a grand jury investigation of such alleged racketeering violation; or

(ii) require the production of any documentary evidence which would be privileged from disclosure if demanded by a subpoena duces tecum issued by any court in connection with a grand jury investigation of such alleged racketeering violation.

(4) Service of any such demand or any petition filed under this subsection shall be made in the manner prescribed by the Pennsylvania Rules of Civil Procedure for service of writs and complaints.

(5) A verified return by the individual serving any such demand or petition setting forth the manner of such service shall be prima facie proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand.

(6) (i) Any party upon whom any demand issued under this subsection has been duly served shall make such material available for inspection and copying or reproduction to the racketeering investigator designated therein at the principal place of business of such party, or at such other place as such investigator and such party thereafter may agree or as the court may direct pursuant to this subsection, on the return date specified in such demand. Such party may upon agreement of the investigator substitute copies of all or any part of such material for the originals thereof.

(ii) The racketeering investigator to whom any documentary material is so delivered shall take physical possession thereof, and shall be responsible for the use made thereof and for its return pursuant to this subsection. The investigator may cause the preparation of such copies of such documentary material as may be required for official use. While in the possession of the investigator, no material so produced shall be available for examination, without the consent of the party who produced such material, by any individual other than the Attorney General or any racketeering investigator. Under such reasonable terms and conditions as the Attorney General shall prescribe, documentary material while in the possession of the investigator shall be available for examination by the party

who produced such material or any duly authorized representatives of such party.

(iii) Upon completion of:

(A) the racketeering investigation for which any documentary material was produced under this subsection; and

(B) any case or proceeding arising from such investigation;

the investigator shall return to the party who produced such material all such material other than copies thereof made pursuant to this subsection which have not passed into the control of any court or grand jury through introduction into the record of such case or proceeding.

(iv) When any documentary material has been produced by any party under this subsection for use in any racketeering investigation, and no case or proceeding arising therefrom has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of such investigation, such party shall be entitled, upon written demand made upon the Attorney General, to the return of all documentary material, other than copies thereof made pursuant to this subsection, so produced by such party.

(7) Whenever any person or enterprise fails to comply with any civil investigative demand duly served upon him under this subsection or whenever satisfactory copying or reproduction of any such material cannot be done and such party refuses to surrender such material, the Attorney General may file, in the court of common pleas for any county in which such party resides or transacts business, and serve upon such party a petition for an order of such court for the enforcement of this subsection, except that if such person transacts business in more than one county such petition shall be filed in the county in which party maintains his or its principal place of business.

(8) Within 20 days after the service of any such demand upon any person or enterprise, or at any time before the return date specified in the demand, whichever period is shorter, such party may file, in the court of common pleas of the county within which such party resides or transacts business, and serve upon the Attorney General a petition for an order of such court modifying or setting aside such demand. The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this subsection or upon any constitutional or other legal right or privilege of such party.

(9) At any time during which the Attorney General is in custody or control of any documentary material delivered by any party in compliance with any such demand, such party may file, in the court of common pleas of the county within which such documentary material was delivered, and serve upon the Attorney General a petition for an order of such court requiring the performance of any duty imposed by this subsection.

(10) Whenever any petition is filed in any court of common pleas under this subsection, such court shall have jurisdiction to hear and determine the matter so presented, and, after a hearing at which all parties are represented, to enter such order or orders as may be required to carry into effect the provisions of this subsection.

(g) Immunity.—Whenever any individual refuses, on the basis of his privilege against self-incrimination, to comply with a civil investigative demand issued pursuant to subsection (f) or to testify or produce other information in any proceeding under subsection (d), the Attorney General may invoke the provisions of 42 Pa.C.S. § 5947 (relating to immunity of witnesses).

(h) Definitions.—As used in this section:

(1) "Racketeering activity" means:

(i) any act which is indictable under any of the following provisions of 18 Pa.C.S.:

Chapter 25 (relating to criminal homicide)
Section 2706 (relating to terroristic threats)

- Chapter 29 (relating to kidnapping)
- Chapter 33 (relating to arson, criminal mischief and other, property destruction)
- Chapter 37 (relating to robbery)
- Chapter 39 (relating to theft and related offenses)
- Section 4108 (relating to commercial bribery and breach of duty to act disinterestedly)
- Section 4109 (relating to rigging publicly exhibited contest)
- Section 4117 (relating to insurance fraud)
- Chapter 47 (relating to bribery and corrupt influence)
- Chapter 49 (relating to falsification and intimidation)
- Section 5111 (relating to dealing in proceeds of unlawful activities)
- Section 5512 (relating to lotteries, etc.) through 5514 (relating to pool selling and bookmaking)
- Chapter 59 (relating to public indecency)

(ii) any offense indictable under section 13 of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act (relating to the sale and dispensing of narcotic drugs);

(iii) any conspiracy to commit any of the offenses set forth in subparagraphs (i) and (ii) of this paragraph; or

(iv) the collection of any money or other property in full or partial satisfaction of a debt which arose as the result of the lending of money or other property at a rate of interest exceeding 25% per annum or the equivalent rate for a longer or shorter period, where not otherwise authorized by law.

(v) any criminal violation of this part.

Any act which otherwise would be considered racketeering activity by reason of the application of this paragraph, shall not be excluded from its application solely because the operative acts took place outside the jurisdiction of this Commonwealth, if such acts would have been in violation of the law of the jurisdiction in which they occurred.

(2) "Person" means any individual or entity capable of holding a legal or beneficial interest in property.

(3) "Enterprise" means any individual, partnership, corporation, association or other legal entity, and any union or group of individuals associated in fact although not a legal entity, engaged in commerce and includes legitimate as well as illegitimate entities and governmental entities.

(4) "Pattern of racketeering activity" refers to a course of conduct requiring two or more acts of racketeering activity one of which occurred after the effective date of this section.

(5) "Racketeering investigator" means an attorney, investigator or investigative body so designated in writing by the Attorney General and charged with the duty of enforcing or carrying into effect the provisions of this section.

(6) "Racketeering investigation" means any inquiry conducted by any racketeering investigator for the purpose of ascertaining whether any person has been involved in any violation of this section or of any order, judgment, or decree of any court duly entered in any case or proceeding arising under this section.

(7) "Documentary material" means any book, paper, record, recording, tape, report, memorandum, written communication, or other document relating to the business affairs of any person or enterprise.

(8) "Organized crime" means any person or combination of persons engaging in or having the purpose of engaging in conduct which violates any provision of subsection (b) and also includes "organized crime" as defined in 18 Pa.C.S. § 5702 (relating to definitions).

On the question,

Will the Senate agree to amendment A3197 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, thus far in the debate on this amendment we have learned, and I have no reason to doubt it, that the number of slot machines that will be operating in Pennsylvania ultimately will be in such large numbers that they will be exceeded only by the State of Nevada. It seems to me if we are going to go down this path, and it appears that we are, that we better do it right. And if we do not do it right, Madam President, we might as well hang out a sign that says: Organized crime, Pennsylvania is open and ready for business. Because that is what is going to happen if we do not tighten this bill up right now. It is a fact, Madam President, that when gambling of this magnitude comes into a jurisdiction, it is a magnet for organized crime. It is an absolute fact. Throughout history, this has been demonstrated. And there are ways in which you can combat organized crime, and one of the ways that we have combatted organized crime in Pennsylvania is by adopting a RICO statute. A RICO statute is designed to take patterns of what would ordinarily be small crimes that are really evidence and the result of organized crime attracting and accumulating vast sums of money in order to corrupt legitimate businesses, and gambling operations are prime targets for such corruption by organized crime. Now we have in Pennsylvania, under Title 18, a RICO statute. But violations of this new gaming law which is before us this evening, because it is contained in a new title or a different title, Title 4, I believe, violations of this new law that we are about to create would not constitute crimes necessary to get a RICO conviction by our prosecutors, or to obtain the civil remedies that are available under the RICO statute.

What this amendment does, Madam President, is very simple, and it is very, very appropriate. It takes our Pennsylvania RICO statute, which does help us combat organized crime in all other areas of activity, and applies it to an area of activity which by all rights it should be applied to, and that is gaming, gaming to the extent that we are expanding it here in Pennsylvania.

I offer the amendment for the purpose of adding the RICO language to this amendment, and I ask for a positive vote.

And the question recurring,

Will the Senate agree to amendment A3197 to amendment A3055?

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

YEA-22

Armstrong	Greenleaf	Piccola	Waugh
Brightbill	Jubelirer	Pippy	Wenger
Corman	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gordner	Orie	Thompson	

NAY-28

Boscola	Kasunic	O'Pake	Tartaglione
Conti	Kitchen	Pileggi	Tomlinson
Costa	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	White, Donald
Ferlo	Logan	Schwartz	Williams, Anthony H.
Fumo	Mellow	Stack	Williams, Constance
Hughes	Musto	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 A3055, as amended?

PICCOLA AMENDMENT A3142
TO AMENDMENT A3055

Senator PICCOLA offered the following amendment No. A3142 to amendment No. A3055:

Amend Amendments, page 65, lines 32 and 33, by striking out "Pennsylvania Gaming Control Board and"

Amend Amendments, page 66, by inserting between lines 11 and 12:

(11) Defer any administrative investigation or proceeding pending the outcome of any criminal investigation or prosecution as directed by the Pennsylvania State Police or the prosecuting authority under subsection (d).

Amend Amendments, page 67, lines 14 through 30, by striking out all of said lines and inserting:

(d) Criminal action.—The Attorney General shall have concurrent prosecutorial jurisdiction with the county district attorney for violations of this subchapter. No person charged with a violation of this subchapter by the Attorney General shall have standing to challenge the authority of the Attorney General to prosecute the case. If a challenge is made, the challenge shall be dismissed and no relief shall be available in the courts of this Commonwealth to the person making the challenge.

On the question,
Will the Senate agree to amendment A3142 to amendment A3055?

QUESTION DIVIDED

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, this amendment contains two parts, and I believe the first part was addressed by Senator Fumo's amendment earlier in the evening, and I will defer to the Chair as to whether the Chair just wants to divide that out or consider the whole amendment. It is between lines 8 and 9. That would be the appropriate place to divide it, and then disregard lines 1 through 8.

The PRESIDENT. The amendment is divisible.

PART I OF AMENDMENT A3142 TO
A3055 WITHDRAWN

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, I believe I erred in determining where the amendment should be divided. I think it should be divided between lines 2 and 3, and I would like to vote on the second half of the amendment and then I will withdraw the first part, Madam President.

The PRESIDENT. Senator Piccola withdraws part I of amendment A3142.

On the question,
Will the Senate agree to part II of amendment A3142 to amendment 3055?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, this amendment does two things. Since the Senate does not want to have violations of the new gaming law to be violations eligible for RICO consideration, I am going to suggest in this amendment, Madam President, that we give the Attorney General of the Commonwealth the power to concurrently prosecute violations of this new gaming law with the district attorneys. Under the amendment that Senator Tomlinson has offered, the district attorneys of the Commonwealth have the authority to investigate and institute criminal proceedings for violations of this new act. They could, if they so desire and if they become aware of violations that they want to refer, refer them at their discretion to the Attorney General under the Commonwealth Attorneys Act. However, the Attorney General cannot, of his or her own volition, without a referral from a district attorney under this amendment, under Senator Tomlinson's amendment, prosecute any violation of this new law unless it involves activity within a county in the Commonwealth and another State.

I do not think, Madam President, we should limit our Attorney General from prosecuting any and all violations of this new law, whether they occur in Pennsylvania or not in Pennsylvania. Our Attorney General should have the full force and power to prosecute all violations of this act without having to rely on a referral from a district attorney. Quite frankly, Madam President, the district attorneys of the Commonwealth in many of our counties simply do not have the resources or the staff to be able to ferret out, investigate, and prosecute these kinds of cases, and they may never come to their attention. We need to give strong enforcement powers to the Attorney General of the Commonwealth of Pennsylvania, where I believe a lot of the violations will fall through the cracks, and again, Madam President, we might as well hang out a sign to organized crime that Pennsylvania is open and ready for business if we fail to adopt this amendment.

Thank you, Madam President.

And the question recurring,
Will the Senate agree to part II of amendment A3142 to amendment A3055?

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

YEA-22

Armstrong	Greenleaf	Piccola	Waugh
Brightbill	Jubelirer	Pippy	Wenger
Corman	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gordner	Orie	Thompson	

NAY-28

Boscola	Kasunic	O'Pake	Tartaglione
Conti	Kitchen	Pileggi	Tomlinson
Costa	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	White, Donald
Ferlo	Logan	Schwartz	Williams, Anthony H.
Fumo	Mellow	Stack	Williams, Constance
Hughes	Musto	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 A3055, as amended?

PICCOLA AMENDMENT A3090
TO AMENDMENT A3055

Senator PICCOLA offered the following amendment No. A3090 to amendment No. A3055:

Amend Amendments, page 12, line 38, by striking out "approved by the board to" and inserting: determined by

On the question,
Will the Senate agree to amendment A3090 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, it appears that the Senate does not want to have violations of this new law prosecuted under RICO, and apparently, does not want the Attorney General to have jurisdiction, or at least clear and uncontroverted jurisdiction to prosecute violations of this law, but I certainly hope that this Senate would allow our Pennsylvania State Police to have clear and unobstructed ability to investigate and do background checks on the applicants for these licenses and these permit applicants, and this is precisely what this amendment does, Madam President.

Under the amendment that Senator Tomlinson offered, there is a provision for the Pennsylvania State Police to do background checks. For those individuals who apply for licenses, gaming licenses and permits provided for under this proposed law, however, the amendment that Senator Tomlinson offered ties the hands of the Pennsylvania State Police in doing so because it says that the State Police will be reimbursed for the actual cost of those investigations as approved by the board, so, in other words, only to the extent that the board approves the cost of doing the investigations will the State Police be able to do those investigations.

I am suggesting in this amendment that we set the State Police free to do the kinds of investigations that will protect Pennsylvanians from organized crime. I am very fearful, Madam President, that we are about to hang out that sign again, Pennsylvania to organized crime, open and ready for business.

Madam President, this is a very small and minor amendment, but it certainly will ensure that our Pennsylvania State Police, some of the finest law enforcement officers in the country, will have the clear and unobstructed ability to do the necessary background checks for these permit applicants and these license applicants.

I urge adoption of this amendment.

Senator BRIGHTBILL. Madam President, would the gentleman stand for interrogation?

The PRESIDENT. He indicates he will. The gentleman may proceed.

Senator BRIGHTBILL. Madam President, would the gentleman indicate whether or not he has had an opportunity to review the procedures of the board insofar as they provide for the voting by the various members of the board and the kind of a majority that is needed for the board to take action?

Senator PICCOLA. Madam President, I have, and I believe it provides for a majority, but that majority must include all four votes of the legislative appointees and one of the Governor's.

Senator BRIGHTBILL. Madam President, and one of the three Governor's?

Senator PICCOLA. Madam President, one of the three Governor's appointees.

Senator BRIGHTBILL. Madam President, so would it be fair to say that, in essence, any one of the four appointees of the Caucuses and the three appointees of the Governor have a veto?

Senator PICCOLA. No question, Madam President.

Senator BRIGHTBILL. Madam President, would the gentleman indicate, then, based upon the language that is currently in the amendment, whether or not the board could apparently block an investigation by fairly agreeing to fund it?

Senator PICCOLA. Absolutely, Madam President. That is the reason for this amendment, because the State Police may want to take the extra step, do something that is necessary to find out whatever they need to find out about these applicants, and they would be prevented from doing so by the power of the purse string of the board, not the State Police.

Senator BRIGHTBILL. Now then, Madam President, would it be fair then to say that, in essence, any one of the five major parties on the board, any one of the four Caucuses as well as the Governor's three representatives, in essence, have a veto on the funding of an investigation?

Senator PICCOLA. Madam President, that is correct.

Senator BRIGHTBILL. Madam President, I thank the gentleman.

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

Senator FUMO. Madam President, I just have to comment. First of all, this Senate has been commended by Common Cause for the way in which the board is structured. Secondly, although we are trying to find nefarious motives for everything in here in an attempt to scuttle the bill, the board votes for an annual budget. It does not vote for a budget for each and every investigation, so the board would not be able, no one member, even with a super majority, would be able to stop an investigation by pulling the purse strings on that particular investigation. It is an annual budget that is voted upon. Now, you could say they would give the State Police zero and investigate nothing. I doubt very much that that would happen, but again, we are here with subjection, and we are going to hope that your Caucus, I know our Caucus, and we are going to hope that the other Caucuses will appoint men of integrity, intelligence, and character who will serve this Commonwealth with honor.

Thank you, Madam President.

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

Senator BRIGHTBILL. Madam President, I think it is interesting that the gentleman has indicated that this is a procedure built on hope, and I certainly hope it turns out not to be false

hope. I would indicate, Madam President, that the gentleman indicates that this is an annual appropriation by the board, and I am going to suggest that that is not necessarily so. It is very conceivable that the State Police could come back to the board and say we need additional dollars to do an additional investigation and that those dollars are not currently available, would you give us the money? As the gentleman, Senator Piccola, pointed out, any single member would be able to block it. All we are asking for is an "aye" vote that would prevent this, and we can prevent this now by adding this.

Here is what is going to happen, Madam President. We are offering these amendments. This is going to go to the House. Now, what they are going to say in the House is, oh, we cannot amend this over here in the House, because then it has to go back to the Senate and the Senate may not take it up, so we have to accept whatever we get from the Senate. We have to take this. We are going to jam this down the throat of the House of Representatives and, Madam President, that is not fair. Now, we are offering good amendments here. None of these amendments that we have offered gut this bill, they make it a stronger, tighter bill.

Let me talk about a prior amendment, just as an example, and we are negotiating this amendment. We talked about a 1-percent ownership in a casino. One of the slot licenses I believe would go under this bill to Penn National Gaming, Inc., which already owns a thoroughbred track, so they would be able to get a slot license. If someone had a 1-percent interest in Penn National Gaming, Inc., they would be just this little pauper who has an interest worth about \$13 million today. So, we are talking a lot of money here. There is a lot of temptation, and what the gentleman from Philadelphia is suggesting is that we are going to hope that with all this millions and billions of dollars of temptation, that we are going to hope that the board does the right thing. We are not going to let the Attorney General investigate on his own authority, we are going to hope that the district attorneys can do their job.

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

Senator FUMO. Madam President, I cannot believe that the Majority Leader would say that the House of Representatives would not let its Members amend something. I have never heard of anything like that before. I feel like that inspector in "Casablanca." I never heard that a bill comes over there and the leader says, I do not want this amendment, we will put it in the Committee on Rules and Executive Nominations, we will report it out, the Majority can suspend the rules. My God, wow, that is unbelievable. I urge him to go over to speak to the Speaker of the House and have them amend their ways. We ought to do it in here, too.

Madam President, give me a break. And yes, I said we hope, and we hope and we trust and we pray, and that is what the Reverend did tonight. He even prayed that we would adopt a budget that would be good for the Commonwealth of Pennsylvania. That is hope. Madam President, for the gentleman to impugn the integrity of members yet to be appointed to a board in this Commonwealth is a disgrace. The real fact is that the gentleman does not want this bill. If he gives me a pledge that he will vote for this bill, I will ask that we vote this amendment in, he and Senator Piccola, but they are not here trying to make this bill better, they

are here trying to stop this bill. They are here trying to kill this bill with kindness, if you will. Now, let us stop being hypocritical. I hope that the Majority Leader would not complain to me that this bill is going to the House where it would take a motion to suspend the rules to amend. It is the same thing we do in the Senate. They are the rules that he offered when we all got sworn in that we adopted. My God, where does the hypocrisy stop? Now, come on. We can differ about this. We are going to have a vote on the ultimate amendment, and then he can give me his speech about the evils of gambling, about how the Lottery is horrible, and everything else, but do not play games now. It is 10 o'clock, 10:30, whatever it is. I will stay here until 3:00 in the morning, I am used to it. But let us try to get along and be a little civil here and not complain about the procedures in the House and the Senate that the gentleman adopted.

Madam President, I ask for a negative vote.

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

Senator BRIGHTBILL. Madam President, I think for the record we have to say that the amendment that is currently being debated, as well as the amendment that was offered before by Senator Piccola, in fact, would not kill this bill. In fact, it is interesting that the gentleman would say that strong law enforcement amendments kill this bill. What message is there, Madam President?

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

Senator FUMO. Madam President, it is amazing to me that the gentleman can stand there and say that when he knows, even if these amendments go into this bill, he would still not vote for it, so he is being hypocritical. Let us be honest about this.

Senator BRIGHTBILL. Madam President.

Senator FUMO. The real motivation here is to kill the bill, anyway possible, and that is what we are discussing here.

POINT OF ORDER

Senator PICCOLA. Madam President, point of order.

The PRESIDENT. The gentleman will state his point.

Senator PICCOLA. Madam President, the previous speaker, Senator Fumo, has indicated that I am trying to kill the bill with these amendments and he is impugning my motives for offering amendments, and I think that is a violation of the Senate Rules, and I would like him to be called to order.

Senator FUMO. Oh, my God, I apologize, mea culpa. I ask for a negative vote.

The PRESIDENT. The Chair would admonish all Members to speak to the merits of the amendment.

The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Madam President, there is no attempt by empowering the commission to control these budgets to impede any investigations. As a matter of fact, when we checked with the other gaming boards in Atlantic City, New Jersey, in fact, it was their suggestion that we do it this way so that we could gather even greater expertise in accounting and some of the other fields that maybe the State Police would not have. That is why we created the investigative bureau for this, and it is in no

way an attempt, in my mind, nor was it an attempt in anyone's mind in other States, I just disagree with Senator Piccola on this. I think he has good intentions here, but I disagree. I disagree about the Attorney General. I think Senator Piccola means well and thinks he is trying to tighten this, but I am very confident because of the research we did in other States on what other States did that the budget will be more than adequate to do all the investigative powers. Most of the investigative work that will be done in this is going to be accounting work, legal work, and I want to give the commission the broadest base of support that they need to develop, to keep this clean and keep this safe.

Now, I take it I guess as a little bit of a negative comment against me that Senator Piccola would like to say that I am welcoming organized crime. Well, I am not welcoming organized crime, and if Senator Piccola thinks that I am welcoming organized crime, I object to that. That is not my intent here. My intent here is to give this commission that I think is a very strong and good commission the powers to do all the investigating they need to do, and by allowing them to set the budget, all it does is give them some of the constraints they need. I am not saying that the Pennsylvania State Police would propose an outrageous budget, but actually, I have seen what they have proposed. But, in other States, other commissions said there has to be a little check and balance about who takes control of this thing, and I think since we have given the commission the control of this matter, we give them the control of the budget. Now, we fully plan to use the State Police, and I fully believe that the Attorney General does have authority on this, but it was never my intent to welcome organized crime in here. I am a little offended that Senator Piccola would suggest that the amendment is welcoming organized crime in here, but I am not going to try to admonish him. It is my intent to follow those States that I think did this very well, and I think New Jersey did it well when they allowed them to set their budget, and I would say that it was never the intent. I think this is a strong initiative here. I think they will have plenty of money to do their investigations, and I think when they ramp this up, they will be able to go into other States and hire out many of those investigative people who already know how to investigate these companies and put them in this bureau.

So, I just respectfully disagree with Senator Piccola. I think that he is trying to do the right thing, but I do object to the suggestion that I am trying to welcome organized crime. I do not think organized crime is going to get in here. I believe strongly this commission will provide for that. I think the background checks, if you just look at the degree of background checks that people have to go through, it is going to prevent anybody who has any connection with organized crime from being able to own not only the license for gaming, but any of the other industries, any of the industries that go in and sell any services. They will not be able to supply linens, collect the garbage, or do any of the other things associated with this if you have not had a full and complete background check and your record must be impeccable.

Thank you, Madam President. I ask for a "no" vote.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, by suggesting that this new law may open the doors to more organized crime in Pennsylvania, I am not in any way impugning the motives of Senator

Tomlinson as the sponsor of this amendment. However, Madam President, it is a fact that Pennsylvania, if this becomes law, will have more slot machines than any State in the country, except Nevada. It is a fact, Madam President, that that number of slot machines will generate billions, that is with a B, billions and billions of dollars every year, and it is a fact, Madam President, that money in that magnitude, much of it in cash, is a magnet for organized crime. All I have been suggesting with these amendments, including this amendment, is that we write this law, because it appears as if we are going down this road, I do not agree with the road, but that is where we are going, and if we are going to go down this road, that we trust some known institutions, some known statutes, some known people, rather than some unknown, as of yet unappointed board, whose motives we do not know and we will never know really because, as you will find from some of my amendments down the road, some of this stuff is going to be hidden from public scrutiny, there is no Senate confirmation of these nominees, as far as I can tell, so we are not going to know what the motives of some of the members of this board are going to be. It is an unknown quantity at this point in time. But we do know that we need strong law enforcement, we need an attorney general and power to prosecute, we should have had, although we are not going to, a RICO statute apply to these violations. At the very least, we should adopt this amendment so our fine State Police can do the necessary kinds of background checks to make sure that people who should not get these kinds of licenses do not get these kind of licenses.

And the question recurring,

Will the Senate agree to amendment A3090 to amendment A3055?

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

YEA-22

Armstrong	Greenleaf	Piccola	Waugh
Brightbill	Jubelirer	Pippy	Wenger
Corman	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gördner	Orie	Thompson	

NAY-28

Boscola	Kasunic	O'Pake	Tartaglione
Conti	Kitchen	Pileggi	Tomlinson
Costa	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	White, Donald
Ferlo	Logan	Schwartz	Williams, Anthony H.
Fumo	Mellow	Stack	Williams, Constance
Hughes	Musto	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 A3055, as amended?

PICCOLA AMENDMENT A3095 TO AMENDMENT A3055

Senator PICCOLA offered the following amendment No. A3095 to amendment No. A3055:

Amend Amendments, page 21, line 38, by inserting after "for": or holder of

Amend Amendments, page 21, line 40, by inserting after "any": domestic or foreign

Amend Amendments, page 21, lines 40 and 41, by striking out "or gambling offense within the past 15 years, shall be issued" and inserting: , a misdemeanor of the first degree, any gambling offense or any criminal offense provided for in this part, shall be issued or allowed to continue to hold

Amend Amendments, page 21, line 42, by inserting after "serve": or continue to serve

On the question,

Will the Senate agree to amendment A3095 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, I have tried the tough stuff, and now I am kind of down to the dishwasher, but maybe we will agree to this. Presently, the bill as written indicates that a person convicted of a felony within the past 15 years is ineligible to obtain a license or a permit under this act. Madam President, it seems to me that anyone who is applying for and receives a permit to operate a gaming facility or venue under this act should not have been convicted of any felony or serious crime ever, ever, Madam President, and that is what this amendment does. It simply says that if you have that kind of criminal record, you are ineligible for all time to obtain a permit under this act.

I urge adoption of the amendment.

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

Senator TOMLINSON. Madam President, I ask for a "no" vote on this. This commission has the ability to deny a license on anything they desire. It could be anything, not even a felony or a misdemeanor. We drafted this language to give the commission some latitude on this, and I am asking for a "no" vote.

And the question recurring,

Will the Senate agree to amendment A3095 to amendment A3055?

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

YEA-21

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	

NAY-29

Boscola	Kasunic	Pileggi	Wagner
Conti	Kitchen	Rhoades	White, Donald
Corman	Kukovich	Scarnati	Williams, Anthony H.
Costa	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 amendment A3055, as amended?

WONDERLING AMENDMENT A3217 TO AMENDMENT A3055

Senator WONDERLING offered the following amendment No. A3217 to amendment No. A3055:

Amend Amendments, page 14, by inserting between lines 32 and 33:

(19) To reimburse real property owners all reasonable costs, including, but not limited to, attorney fees, incurred by a party who is a defendant in any civil action initiated by a Native American tribe for the purpose of establishing a situs for gaming which relates to the title of the real property, which costs are incurred in order to defend the title to the real property, regardless of the outcome of the civil action where such costs are not reimbursable by title insurance or if title insurance was not required by the lender, if any, at the time the property was purchased. The board shall provide reimbursement from the State Gaming Fund within 90 days of the property owner submitting a statement of costs to the board. This paragraph shall have priority over all other economic obligations of the board.

Amend Amendments, page 20, by inserting between lines 46 and 47:

§ 1210.1. Location of facilities.

Notwithstanding any other provision of this act, no new licensed racetrack or slot machine only facility shall be located within one mile of an elementary, middle or secondary school facility.

On the question,

Will the Senate agree to A3217 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Wonderling.

Senator WONDERLING. Madam President, it has been interesting as we have seen amendments to improve this bill fall one after the other, I was struck by the fact that literally the content of every amendment offered was not only to improve the operation of the commission, but to put safeguards in place hopefully in the prospect that only good things will happen, but from time to time, human nature being what it is, bad things will happen.

Well, Madam President, I rise to offer this amendment not so much to provide safeguards for the future, if we ultimately take this action to expand gambling this evening, but, Madam President, to offer some real relief to individuals who have already felt the negative consequences of expanding gaming in this Commonwealth. Madam President, I will not use this time now to talk about the unfulfilled hope and broken promises that someday I

think we will regret due to our actions this evening. I find the financial numbers presented in the bill dubious at best. I find in the whole notion that we in our representative form of government are going to be ceding so much power to a commission that ultimately I do not think will represent the interests of working men and women in this Commonwealth with the interest of the moneyed class.

But I do want to talk a moment, Madam President, about this whole notion of a limited expansion of gambling. Not too long ago I took an oath of office to serve as a public servant in this body, as a Member of this Senate, and at that point in time, just about a year and a half ago, Madam President, the definition of limited gambling in this Commonwealth was slots at racetracks only. And now, Madam President, that definition has changed as we stand here tonight reviewing an amendment that goes beyond putting slot machines at racetracks, goes beyond stand-alone casinos dotted across this Commonwealth, and also includes resorts. So within a year and a half, even raising the discussion on a matter of policy, you see the definition of limited gambling change and the expansion of the gambling occur.

So therefore tonight, Madam President, I have to report sadly what has happened since we began to explore expanded gambling in this Commonwealth prior to taking a vote on final passage and signing into law. Unfortunately, Madam President, I have had 19 homeowners, constituents who live in my Senate district, already face the negative consequences of expanded gambling. For you see, Madam President, those homeowners have been sued for their land by the Delaware Indians of Oklahoma. Just the prospect of expanded gambling has resulted in innocent, taxpaying, hardworking individuals being faced with incurring out-of-pocket expenses that when totalled and all combined could result in a \$250,000 impact in total to these 19 homeowners. In addition, Madam President, since this has become a matter of public policy debate across this Commonwealth in the last year and a half, I have had no less than three serious proposals for stand-alone slots, Indian casinos, and racetracks in my Senate district. Many of those proposals, in fact all of those proposals, come within close proximity of schools where our children go each and every day during the course of the year for an education.

So, Madam President, I rise and offer this amendment to accomplish two simple goals for constituents in my district and for other citizens across this Commonwealth.

First, Madam President, I am asking that the commission be directed to reimburse those 19 homeowners who live in my Senate district and have already been sued for their land in the hopes for a casino. Of course, Madam President, those homeowners will have to demonstrate and verify that costs were incurred for indeed legal expenses and other expenses related to fighting gambling, but I feel, as a matter of principle, we owe it to these innocent individuals who have been caught in the path of this billion dollar, billion dollar juggernaut. And, Madam President, I do not think it is too much to ask in the spirit of good public policy, that we also suggest that as new gaming facilities come online, not the ones already in the ground, not the racetracks that are already in the ground, but as we talk about stand-alone parlors and expanded racetracks and those licenses that may be granted, that they be set back a minimum of 1 mile from a public school build-

ing. I think we owe it to our children to do that. We have setback standards all the time relative to drug-free zones and other nefarious activities.

So, Madam President, much will be continued throughout this evening relative to the future. Some people will suggest the sky will fall, others will offer that this will be probably the greatest legislative accomplishment in the history of this Commonwealth. I am not here to offer passion or prejudice on either point. I am here mainly, Madam President, to offer the fact of the preponderance of evidence that I already have to deal with here and now, with homeowners who have now and will be confronting economic loss as a result of our actions.

Madam President, let me just conclude on this point. Nineteen homeowners in my district sued by the Delaware Indians in the hopes of getting a casino or getting into gaming, or whatever they might do, I offer my colleagues in this Chamber, beware, beware. The same circumstance could befall you in your backyard and in your districts as well. So, I think it is only reasonable that we take advantage of the amendment that I have offered and provide some level of compensation for those 19 homeowners.

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

Senator FUMO. Madam President, I ask for a negative vote on this, and I would also like to inform the gentleman that even though he is a freshman, his skills at negotiating the budget are par excellence. I am advised by staff that there already has been money inserted into the budget on his behalf through the Republican Majority to compensate people who do not have title insurance to assist them in this fight, and if that is not enough money, then we ought to add to that, but I do not want to interrupt the work of this bill by tying those together. There already is money in, and we can put more in if necessary. I ask for a negative vote, and I congratulate the gentleman on getting that into the budget.

Thank you, Madam President.

And the question recurring,

Will the Senate agree to amendment A3217 to amendment A3055?

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

YE A-21

Armstrong	Gordner	Piccola	Waugh
Boscola	Greenleaf	Pippy	Wenger
Brightbill	Jubelirer	Punt	Wonderling
Corman	Madigan	Rafferty	
Dent	Mowery	Robbins	
Earl	Orie	Thompson	

NAY-29

Conti	Kukovich	Rhoades	White, Donald
Costa	LaValle	Scarnati	White, Mary Jo
Erickson	Lemmond	Schwartz	Williams, Anthony H.
Ferlo	Logan	Stack	Williams, Constance
Fumo	Mellow	Stout	Wozniak
Hughes	Musto	Tartaglione	
Kasunic	O'Pake	Tomlinson	
Kitchen	Pileggi	Wagner	

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 A3055, as amended?

WONDERLING AMENDMENT A3240
TO AMENDMENT A3055

Senator WONDERLING offered the following amendment No. A3240 to amendment No. A3055.

Amend Amendments, page 7, by inserting between lines 2 and 3: "Native American tribe." An Indian tribe, band, nation or other organized group or community of Indians that 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.

Amend Amendments, page 20, by inserting between lines 46 and 47:

§ 1210.1. Location of facilities.

Notwithstanding any other provision of this act, no new licensed racetrack or slot machine only facility shall be located within one mile of an elementary, middle or secondary school facility.

Amend Amendments, page 72, line 57, by striking out all of said line and inserting:

1901. Reimbursement of costs to defend land title actions.

1901.1. Negotiations.

1901.2. Appropriations.

Amend Amendments, page 73, by inserting between lines 1 and 2: § 1901. Reimbursement of costs to defend land title actions.

(a) General rule.—If the costs of defending the actions identified in this section are not reimbursable by title insurance or if title insurance was not required by law at the time the property was purchased, all reasonable costs, including, but not limited to, attorney fees, incurred by a party who is a real property owner and a defendant in any civil action initiated by a Native American tribe for the purpose of establishing a situs for gaming which relates to the title of the real property, which costs are incurred in order to defend the title to the real property, regardless of the outcome of the civil action shall be reimbursed by the Native American tribe to the party within 90 days of the party submitting a statement of such costs to the legal representative of the Native American tribe. Such costs shall be recoverable in the civil action or the party may initiate a separate action in any court of competent jurisdiction to recover the costs. Real property owners shall receive, in the event title is granted to a Native American tribe, full market value for the property, reimbursable by the Native American tribe. The real property owners shall elect either the value of the property prior to the lawsuit being filed or the current value of the property. In the event this subsection is not applied to the action, the provisions of subsection (b) shall apply.

(b) Alternative procedure.—

(1) All reasonable costs, including, but not limited to, attorney fees, incurred by a party who is a real property owner and a defendant in any civil action initiated by a Native American tribe which relates to the title of the real property, which costs are incurred in order to defend title to the real property, shall be reimbursed by the Commonwealth to the party within 90 days of the party submitting a statement of such costs to the Office of General Counsel. Real property owners shall receive, in the event title is granted to a Native American tribe, full market value for the property, reimbursable by the Commonwealth. The real property owners shall elect either the value of the property prior to the lawsuit being filed or the current value of the property.

(2) (i) The Office of General Counsel shall review a statement submitted to it under paragraph (1) and may request the party to submit additional information deemed necessary by the Office of General Counsel to review the costs contained in the statement.

(ii) If the Office of General Counsel determines that any cost on the statement is not subject to reimbursement under paragraph (1), it shall submit a notice of disputed costs to the party within 30 days of receipt of the statement. The notice shall inform the party of the party's right to seek resolution of disputed costs with the Board of Claims as provided under paragraph (3).

(3) A party that disagrees with a notice of disputed costs received from the Office of General Counsel under paragraph (2) may file a claim against the Commonwealth with the Board of Claims. Such claim must be filed within one year of the date of the mailing of the notice.

§ 1901.1. Negotiations.

(a) General rule.—No person shall negotiate a gaming compact, agreement or concurrence on behalf of the Commonwealth with a Native American tribe unless the person has been authorized by a concurrent resolution of the General Assembly to negotiate the compact, agreement or concurrence.

(b) Legislative approval.—No gaming compact, agreement or concurrence in any determination by which gaming activity would be authorized shall be valid and enforceable unless approved by an act of the General Assembly. If approved by the General Assembly, the gaming compact, agreement or concurrence shall be submitted to the Governor for signature.

Amend Amendments, page 73, line 2, by striking out "1901" and inserting: 1901.2

On the question,

Will the Senate agree to amendment A3240 to the amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Wonderling.

Senator WONDERLING. First, let me begin by thanking the gentleman from Philadelphia for his kind words, and I do not know where the budget process stands in this Commonwealth, but to suggest that indeed there may be some short-term relief provided to my constituents, I take as a positive sign, particularly since my first amendment just failed.

Having said that, let us address more broadly the issue of Indian gaming. Again, Madam President, the last thing I ever expected in the first quarter of my service in the Pennsylvania Senate would be to have to become relatively conversant and knowledgeable on Federal Indian gaming law and what the prospect of Indian casinos mean to a State, to a community, to small businesses, and the prospect of what Indian gaming means to existing facilities.

So, Madam President, in the amendment I am offering, I am seeking to do the following: first of all, Madam President, if it seems that the commission is unwilling to take on the responsibility of compensating individuals who have had land claims brought against them by Indian casinos, then my amendment would suggest that those Indian tribes should reimburse those individuals. To trigger that, Madam President, we need to insert into the bill the definition of an Indian tribe or Native American tribe, and of course then that will create a whole new context perhaps in which we view the work that is before us this evening.

Now I know the gentleman from Philadelphia, at least I know from what I read in the media, has expended considerable time, calories, and resources to examine the issue. So have those of us who have a different perspective of what it means to bring expanded gaming to the Commonwealth, what it will do to raise the chance that these casinos will ultimately enter the Common-

wealth through the native tribe Federal process. So that is why, Madam President, in addition to defining upfront in this bill a Native American tribe and suggesting that the Indians be put on the hook for compensation to land owners, I also think it is important for all of us, particularly as representatives of the people, to put safeguards in place to the amendment for the day when an Indian casino seeks to set up an operation.

What I have learned in understanding Federal law is that if we operate and move to this degree of gambling, this level of games of chance, we increase the potential for an Indian casino to be recognized as a sovereign nation of the Federal government and therefore to lay claim to land in this Commonwealth. And bear in mind, Madam President, when the Indian casinos come to this Commonwealth at some future date, it will not be just to get folks to come there and pull one-armed bandits, they will be selling gasoline, cigarettes, you name it, without being subjected to sales tax or regulatory oversight or all the normal activities that free enterprise must engage in to conduct business in this Commonwealth.

So that is why, Madam President, I think it is important to not only define the bill right now this evening while we have this moment and face the issue head-on about an Indian tribe, but we in this General Assembly also take a greater role and responsibility vis-a-vis the executive branch's alleged or considered role. So very simply, Madam President, what the amendment seeks to do is to suggest that if a future chief executive of this Commonwealth seeks to enter into a compact with a Native Indian tribe for the purpose of establishing a casino, that there has to be concurrence by the General Assembly. And then, Madam President, the chief executive of this Commonwealth, if the Governor is successful in negotiating a compact unilaterally with an Indian tribe for the purposes of a casino, that compact must be approved by the Members of this General Assembly.

Madam President, I mentioned a few moments ago that I think one of the most frightening and disappointing aspects of what we are doing here this evening is that through this billion dollar transaction we are moving government further and further away from the people. We are going to be vesting unparalleled powers in this commission. I have to tell you, Madam President, the private economic forces that are going to be gaining from this evening must be jumping up and down right now wherever they are, because they are not going to have to be held accountable by Members of this body or the House of Representatives, because once we have established this commission, Madam President, those decisions will be made, quite frankly, and not in a very public way, by a handful of individuals.

So, Madam President, we have gone from limited gambling slots at racetracks only, stand-alone slot parlors, slots at a particular resort, and I think we are counting the days and months of the years until we are faced with Indian gaming and the prospect of Indian gaming in this Commonwealth. Now is the best time for us to put those safeguards in place. All we are seeking, Madam President, is some type of very specific legislative oversight over the Governor if he does seek to engage in a compact with an Indian tribe for the purpose of gaming.

Thank you, Madam President.

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

Senator FUMO. Madam President, I ask for a negative vote. Thank you.

The PRESIDENT. The Chair recognize the gentleman from Lehigh, Senator Dent.

Senator DENT. Madam President, I rise in strong support of the Wonderling amendment. I know there are many people in this room tonight who would like to support this amendment, but we have to keep in mind why the Delaware tribes are here. Why are the Delaware tribes making these land claims in the town of Tatamy? Why are they doing that? Why in Pennsylvania are we revisiting the Walking Purchase and the actions of the descendants of William Penn of more than 200 years ago? Well, we know what the answer is, and it is not my answer. The answer was given to us by the Delawares themselves. They gave it to us in a press release dated May 14, 2003, and it says, and I will quote, "The Delawares want to assure that as the debate moves forward in the legislature, it will include the issue of Indian gaming," said Bernard Kakarahrah, a spokesman for the tribe. He went on further, quote, "If Pennsylvania is going to expand gaming, the Delawares want a seat at the table." The Delawares want a seat at the table, and that is what this is all about. And I have to tell you, what Senator Wonderling is trying to do is not only to protect those 19 homeowners in Northampton County, he is also protecting the interest of others who are being negatively impacted by this, one of our best corporate citizens in Pennsylvania, Binney & Smith, maker of Crayola Crayons, heavily invested in the city of Easton.

My point is this, there are many people affected by the land claim of the Delaware tribes. It is unfair, it is wrong, we should adopt the Wonderling amendment, and after we do, we should vote down the larger bill and amendment. It is a disgrace.

Thank you, Madam President.

And the question recurring,

Will the Senate agree to amendment A3240 to amendment A3055?

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

YEA-22

Armstrong	Greenleaf	Piccola	Waugh
Boscola	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Mary Jo
Corman	Madigan	Rafferty	Wonderling
Dent	Mowery	Robbins	
Gordner	Orie	Thompson	

NAY-28

Conti	Kasunic	O'Pake	Tartaglione
Costa	Kitchen	Pileggi	Tomlinson
Earl	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	White, Donald
Ferlo	Logan	Schwartz	Williams, Anthony H.
Fumo	Mellow	Stack	Williams, Constance
Hughes	Musto	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 A3055, as amended?

**BRIGHTBILL AMENDMENT A3243
TO AMENDMENT A3055**

Senator BRIGHTBILL offered the following amendment No. A3243 to amendment No. A3055:

Amend Amendments, page 62, lines 12 and 13, by striking out "exceeding 5% of the equity or fair market value of the" and inserting: of a

Amend Amendments, page 62, line 14, by inserting after "entity" where it appears the first time: , manufacturer licensee, supplier licensee

Amend Amendments, page 62, line 21, by inserting after "(a)": or of a mutual fund as defined in 20 Pa.C.S. § 7201 (relating to definitions)

Amend Amendments, page 62, lines 30 through 35, by striking out all of said lines and inserting:

"Public official." Any person elected by the public or elected or appointed by a governmental body or an appointed official in the executive, legislative or judicial branch of this Commonwealth or any political subdivision thereof, provided that it shall not include members of advisory boards that have no authority to expend public funds other than reimbursement for personal expense or to otherwise exercise the power of the Commonwealth or any political subdivision or commissioner of any authority or joint-state commission.

On the question,
Will the Senate agree to amendment A3243 to amendment A3055?

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

Senator BRIGHTBILL. Madam President, this amendment deals with the subject matter of what interest, if any, a Member of the General Assembly, or any other public official, can have in a track or a slot facility. If the Members recall, we discussed that at the beginning of the evening, several hours ago, and at that time Senator Fumo offered an amendment that would take it from 5 percent to 1 percent. I objected, and we attempted to work out a compromise. It appears that we have not been successful. Madam President, to give people an idea of what kind of money we are talking about here, a 1-percent interest in Penn National gaming, which would be the owner of a slot license located in Grantville, Dauphin County, would be worth about \$12 million or \$13 million. A 5-percent interest in Penn National gaming would be worth about, obviously, \$60 million.

My amendment does a couple of things. Number one, it not only includes a gambling entity such as a slot parlor or a track, but it includes an ownership interest in a manufacturer license or a supplier license. Secondly, it exempts any ownership interest which is held as a result of holding a mutual fund, as defined in the law. Thirdly, it defines public official, and I believe that is the definition that Senator Fumo crafted when he did his amendment. Now, I guess the simple question is, why would we want to permit public officials to have any ownership interest in any gambling establishment, any manufacturer of gambling equipment, or supplier of gambling equipment in the Commonwealth? And I believe the clear answer is that the best thing would be to allow them to have no ownership interest, and that is the rule that amendment A3243 would advocate.

So, I ask for an affirmative vote on amendment A3243, which would prohibit Members of the General Assembly and other public officials from an ownership interest in a gambling facility in Pennsylvania, a manufacturer's license in Pennsylvania, and a supplier's license in Pennsylvania.

Thank you.

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

Senator FUMO. Madam President, I would just like to ask for a negative vote. We have another amendment coming forth that we think will solve this problem.

Thank you.

And the question recurring,
Will the Senate agree to amendment A3243 to amendment A3055?

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

YEA-21

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Mary Jo
Dent	Madigan	Rafferty	Wonderling
Earll	Mowery	Robbins	
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	

NAY-29

Boscola	Kasunic	Pileggi	Wagner
Conti	Kitchen	Rhoades	White, Donald
Corman	Kukovich	Scarnati	Williams, Anthony H.
Costa	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 amendment A3055, as amended?

**RHOADES AMENDMENT A3209
TO AMENDMENT A3055**

Senator RHOADES offered the following amendment No. A3209 to amendment No. A3055:

Amend Amendments, page 62, line 13, by striking out "5%" and inserting: 1%

Amend Amendments, page 62, lines 30 through 35, by striking out all of said lines and inserting:

"Public official." Any person elected by the public or elected or appointed by a governmental body or an appointed official in the executive, legislative or judicial branch of this Commonwealth or any political subdivision thereof, provided that it shall not include members of advisory boards that have no authority to expend public funds other than reimbursement for personal expense or to otherwise exercise the power of the Commonwealth or any political subdivision or commissioner of any authority or joint-state commission.

On the question,
Will the Senate agree to amendment A3209 to amendment A3055?

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

Senator RHOADES. Madam President, this amendment strikes out 5 percent and inserts 1 percent.

And the question recurring,
Will the Senate agree to amendment A3209 to amendment A3055?

It was agreed to.

And the question recurring,
Will the Senate agree to amendment A3055, as amended?

ROBBINS AMENDMENT A3215
TO AMENDMENT A3055

Senator ROBBINS offered the following amendment No. A3215 to amendment No. A3055:

Amend Amendments, page 56, by inserting between lines 51 and 52:

(e) Limitation.—Notwithstanding any law to the contrary, moneys from the Pennsylvania Gaming Economic Development and Tourism Fund established in subsection (a) shall not be considered to satisfy any non-State participation requirements under the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.

On the question,
Will the Senate agree to amendment A3215 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Mercer, Senator Robbins.

Senator ROBBINS. Madam President, this amendment would prevent the use of any match of the economic development money that the gaming and tourism fund established in this bid for the local match requirements of the Capital Facilities Debt Enabling Act.

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

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

And the question recurring,
Will the Senate agree to amendment A3215 to amendment A3055?

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

YEA-20

Armstrong	Jubelirer	Piccola	Thompson
Brightbill	Lemmond	Pippy	Waugh
Dent	Madigan	Punt	Wenger
Gordner	Mowery	Rafferty	White, Mary Jo
Greenleaf	Orie	Robbins	Wonderling

NAY-30

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	White, Donald
Costa	Kukovich	Scarnati	Williams, Anthony H.
Earll	LaValle	Schwartz	Williams, Constance
Erickson	Logan	Stack	Wozniak
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ROBBINS AMENDMENT A3225
TO AMENDMENT A3055

Senator ROBBINS offered the following amendment No. A3225 to amendment No. A3055:

Amend Amendments, page 45, lines 46 through 51, by striking out "Notwithstanding the provisions" in line 46 and all of lines 47 through 51

Amend Amendments, page 46, lines 42 through 45, by striking out all of said lines

Amend Amendments, page 47, lines 35 through 38, by striking out all of said lines

Amend Amendments, page 47, lines 51 through 54, by striking out "Notwithstanding the Capital" in line 51 and all of lines 52 through 54

Amend Amendments, page 52, by inserting between lines 54 and 55:

(d) Limitation.—Notwithstanding any law to the contrary, moneys from the State Gaming Fund established under section 1403(a) shall not be considered to satisfy any non-State participation requirements under the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.

On the question,
Will the Senate agree to amendment A3225 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Mercer, Senator Robbins.

Senator ROBBINS. Madam President, again, trying to protect our smaller economic development groups out there that are now being faced with another thousand-pound gorilla, this amendment would prevent money from the State gaming fund from being used to satisfy any match or non-State participation requirements again under the Capital Facilities Debt Enabling Act.

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

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

And the question recurring,
Will the Senate agree to amendment A3225 to amendment A3055?

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

YEA-20

Armstrong	Jubelirer	Piccola	Thompson
Brightbill	Lemmond	Pippy	Waugh
Dent	Madigan	Punt	Wenger
Gordner	Mowery	Rafferty	White, Mary Jo
Greenleaf	Orie	Robbins	Wonderling

NAY-30

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	White, Donald
Costa	Kukovich	Scarnati	Williams, Anthony H.
Earll	LaValle	Schwartz	Williams, Constance
Erickson	Logan	Stack	Wozniak
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ROBBINS AMENDMENT A3229
TO AMENDMENT A3055

Senator ROBBINS offered the following amendment No. A3229 to amendment No. A3055:

Amend Amendments, page 59, by inserting between lines 35 and 36:
§ 1507.1. Inapplicability of economic development programs.

An applicant, slot machine licensee, financial backer, key employee, licensed facility, licensed gaming entity, licensed racing entity, manufacturer, manufacturer licensee, permittee, supplier or supplier licensee shall not be eligible for any program established under 12 Pa.C.S. (relating to commerce and trade), 64 Pa.C.S. Pt. II (relating to economic development financing) or under the act of June 29, 1996 (P.L.434, No.67), known as the Job Enhancement Act.

On the question,
Will the Senate agree to amendment A3229 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Mercer, Senator Robbins.

Senator ROBBINS. Madam President, under this amendment, an applicant, slot machine licensee, financial backer, key employee, licensed facility, licensed gaming entity, licensed racing entity, manufacturer, manufacturer licensee, permittee, supplier, or supplier licensee shall not be eligible for any program established under 12 PA C.S. (relating to commerce and trade), 64 PA C.S. Pt. II (relating to economic development financing) or under the act of June 29, 1996, known as the Job Enhancement Act.

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

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

And the question recurring,
Will the Senate agree to amendment A3229 to amendment A3055?

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

YEA-20

Armstrong	Jubelirer	Piccola	Thompson
Brightbill	Lemmond	Pippy	Waugh
Dent	Madigan	Punt	Wenger
Gordner	Mowery	Rafferty	White, Mary Jo
Greenleaf	Orie	Robbins	Wonderling

NAY-30

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	White, Donald
Costa	Kukovich	Scarnati	Williams, Anthony H.
Earll	LaValle	Schwartz	Williams, Constance
Erickson	Logan	Stack	Wozniak
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

DENT AMENDMENT A3086
TO AMENDMENT A3055

Senator DENT offered the following amendment No. A3086 to amendment No. A3055:

Amend Amendments, page 57, by inserting between lines 26 and 27:

(d.1) Transfer to municipality with off-track betting parlor.—Annually, the sum of \$500,000 shall be transferred as a host fee from the State Gaming Fund to each municipality with an off-track betting parlor located in the municipality.

On the question,
Will the Senate agree to amendment A3086 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Lehigh, Senator Dent.

Senator DENT. Madam President, this amendment simply transfers \$500,000 as a host fee for the State gaming fund to each municipality with an offtrack betting facility or parlor located in that municipality. I believe this is a reasonable amendment. The legislation that we are dealing with tonight provides for a municipality that hosts a horseracing track with 4 percent of the gross. I believe it is entirely reasonable that our offtrack betting facilities located in those municipalities should be given some consideration for the costs. In my community we have one offtrack betting parlor that generates quite a bit of traffic and the municipality should be compensated for their trouble, and a \$500,000 fee is entirely reasonable. I ask for adoption of the amendment.

Thank you, Madam President.

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

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

And the question recurring,

Will the Senate agree to amendment A3086 to amendment A3055?

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

YEA-20

Armstrong	Jubelirer	Piccola	Thompson
Brightbill	Lemmond	Pippy	Waugh
Dent	Madigan	Punt	Wenger
Gordner	Mowery	Rafferty	White, Mary Jo
Greenleaf	Orie	Robbins	Wonderling

NAY-30

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	White, Donald
Costa	Kukovich	Scarnati	Williams, Anthony H.
Earll	LaValle	Schwartz	Williams, Constance
Erickson	Logan	Stack	Wozniak
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ARMSTRONG AMENDMENT A3160 TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3160 to amendment No. A3055:

Amend Amendments, page 57, by inserting between lines 11 and 12:

(d) Transfer for victims of domestic violence.—Each year the sum of \$10,000,000 shall be transferred from the fund to the Department of Public Welfare to be used for domestic violence programs.

Amend Amendments, page 57, line 12, by striking out "(d)" and inserting: (e)

Amend Amendments, page 57, line 27, by striking out "(e)" and inserting: (f)

On the question,

Will the Senate agree to amendment A3160 to amendment A3055?

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

Senator ARMSTRONG. Madam President, what this does is very simply allocates \$10 million over to Domestic Violence for Women. According to the National Research Council, studies indicate that one-quarter to one-half of spouses of compulsive gamblers have been abused, 25 to 50 percent of compulsive gamblers' wives or girlfriends have been abused. We are now going to have more compulsive gamblers in Pennsylvania, and I feel it

is only fair that we should fund this source. Case studies at 10 casino communities conducted for the National Gambling Impact Study Commission revealed that the majority of those communities witnessed an increase in domestic violence relative to the introduction of casinos. Domestic violence shelters in the Mississippi Gulf Coast jumped between 100 and 300 percent as far as assistance for women of domestic violence. Domestic violence murders in at least 11 States have been traced to gambling problems since 1996. South Dakota, when they introduced gambling, their domestic violence went up over 80 percent. In the Gulf Coast, the rapes tripled right after gambling was introduced. I think it is a rather small price to pay, out of \$3 billion, a \$10 million allocation to help abused women, and I ask for a positive vote.

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

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

And the question recurring,

Will the Senate agree to amendment A3160 to amendment A3055?

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

YEA-21

Armstrong	Lemmond	Punt	White, Donald
Brightbill	Madigan	Rafferty	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	
Jubelirer	Pippy	Wenger	

NAY-29

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	Williams, Anthony H.
Costa	Kukovich	Scarnati	Williams, Constance
Earll	LaValle	Schwartz	Wozniak
Erickson	Logan	Stack	
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ARMSTRONG AMENDMENT A3212 TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3212 to amendment No. A3055:

Amend Amendments, page 57, by inserting between lines 11 and 12:

(d) Transfer for Pennsylvania State Police.—The sum of \$25,000,000 shall be transferred to the Pennsylvania State Police for the purpose of hiring additional State police officers.

Amend Amendments, page 57, line 12, by striking out "(d)" and inserting: (e)
 Amend Amendments, page 57, line 27, by striking out "(e)" and inserting: (f)

On the question,
 Will the Senate agree to amendment A3212 to amendment A3055?

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

Senator ARMSTRONG. Madam President, this allocates \$25 million to the State Police. What we are finding out, talking about New Jersey, and we are trying to duplicate what they do in many areas, New Jersey's casino commission has 350 regulators and inspectors for casinos, a cost of \$27 million a year. New Jersey's Attorney General's division of gaming enforcement includes \$32 million annually for police to do background checks, as well as to do investigation and prosecute regulatory violations, and I think Pennsylvania must do the same thing.

Our State Police Commissioner, Colonel Jeff Miller, said that when gambling goes in, we are going to be besieged by organized thieves and criminals. He is getting ready. I do not think it is fair that Pennsylvanians should pay for the new complement of police we are going to have to have trained, and I think the people who cause the problems should pay to solve the problem, help solve the problem, and I am asking for a \$25 million appropriation for our State Police, and I ask for a positive vote.

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

Senator FUMO. Madam President, I ask for a negative vote. I think we already covered this before with Senator Piccola's amendment. The board has the authority and the responsibility and the function to adopt a budget. All the costs of implementing this bill are paid for by the gaming interests. If they determine that they need \$25 million, \$27 million, \$28 million, they will vote for that in their budget. I ask for a negative vote.

Thank you, Madam President.

And the question recurring,
 Will the Senate agree to amendment A3212 to amendment A3055?

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

YEA-21

Armstrong	Lemmond	Punt	White, Donald
Brightbill	Madigan	Rafferty	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	
Jubelirer	Pippy	Wenger	

NAY-29

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	Williams, Anthony H.
Costa	Kukovich	Scarnati	Williams, Constance

Earll	LaValle	Schwartz	Wozniak
Erickson	Logan	Stack	
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ARMSTRONG AMENDMENT A3210
 TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3210 to amendment No. A3055:

Amend Amendments, page 57, by inserting between lines 11 and 12:

(c.1) Transfer for host municipalities of State universities.—Each year the sum of \$1,000,000 shall be transferred to each municipality in which a State-owned or State-related university is located for the municipality's general fund.

On the question,
 Will the Senate agree to amendment A3210 to amendment A3055?

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

Senator ARMSTRONG. Madam President, this allocates \$1 million to the municipalities that have a State university, the SSHE system. Currently, these are basically tax-free, and we are talking about property tax reform with this amendment. What this amendment does is gives each one of our State System of Higher Education, each university, each municipality in which it is located would get a million dollar grant to offset the property taxes that are not paid. I think it is a reasonable amount of money. We are talking about property tax reform. This is what this supposedly is all about. We have \$800 million, well, a billion dollars for property tax reform. This is \$13 million to help out our local municipalities that have State System institutions. I ask for an affirmative vote.

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

Senator FUMO. Madam President, I ask for a negative vote. I did not know my conservative colleague wanted to spend this much money tonight, but I ask for a negative vote.

And the question recurring,
 Will the Senate agree to amendment A3210 to amendment A3055?

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

YEA-21

Armstrong	Lemmond	Punt	White, Donald
Brightbill	Madigan	Rafferty	White, Mary Jo
Dent	Mowery	Robbins	Wonderling

Gordner	Orie	Thompson
Greenleaf	Piccola	Waugh
Jubelirer	Pippy	Wenger

NAY-29

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	Williams, Anthony H.
Costa	Kukovich	Scarnati	Williams, Constance
Earll	LaValle	Schwartz	Wozniak
Erickson	Logan	Stack	
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ARMSTRONG AMENDMENT A3245
TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3245 to amendment No. A3055:

Amend Amendments, page 44, line 53, by inserting after "fund.": In the event that the total daily taxes and local share assessments collected annually are less than \$500,000,000, the difference between the taxes collected and \$500,000,000 shall be paid by the licensees with each licensee paying a portion of the difference in proportion to the licensee's contribution to the total annual taxes and assessments collected.

On the question,
Will the Senate agree to amendment A3245 to amendment A3055?

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

Senator ARMSTRONG. Madam President, this is similar to one we had before, and I am using the number that the Senator from South Philadelphia suggested. We are talking about a billion dollars of property tax--

Senator FUMO. Madam President, I represent Center City, Fairmount, Spring Garden, and not just South Philadelphia.

Senator ARMSTRONG. Madam President, I stand corrected.

Senator FUMO. Madam President, they the finest areas of the city that I know my colleague has been to many times.

Senator ARMSTRONG. Madam President, I have. That is true.

We are talking about \$1 billion. That is what everyone tells us. I said, well, if we do not get a billion dollars, how about \$800 million in a couple years? Well, let us guarantee that. If it is below \$800 million, if it is \$750 million, \$50 million would have to come from the gaming people. No, they could not do that, they just could not have that, no guarantees. All I am asking for is to have them guarantee \$500 million, half of what they originally said they are going to have. I heard them say, they both said that in a couple years there would be about a billion dollars for property tax. I am saying, give me 50 percent of that. If it comes up to \$480 million, the casino owners have to come up with \$20

million to guarantee that we at least have some base, and that is all this does. It kind of puts their money where their mouth is, and I ask for its immediate adoption.

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

Senator FUMO. Madam President, again, I ask for a negative vote.

And the question recurring,
Will the Senate agree to amendment A3245 to amendment A3055?

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

YEA-21

Armstrong	Lemmond	Punt	White, Donald
Brightbill	Madigan	Rafferty	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	
Jubelirer	Pippy	Wenger	

NAY-29

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	Williams, Anthony H.
Costa	Kukovich	Scarnati	Williams, Constance
Earll	LaValle	Schwartz	Wozniak
Erickson	Logan	Stack	
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

ARMSTRONG AMENDMENT A3171
TO AMENDMENT A3055

Senator ARMSTRONG offered the following amendment No. A3171 to amendment No. A3055:

Amend Amendments, page 13, lines 58 and 59; page 14, lines 1 through 21, by striking out all of said lines on said pages and inserting: (16) Reserved

On the question,
Will the Senate agree to amendment A3171 to amendment A3055?

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

Senator ARMSTRONG. Madam President, this eliminates the bonding provision. Believe it or not, they are going to offer bonds and secure them with receipts from gaming revenues. Now, they will not even guarantee what they will be. They say, I asked for \$800 million to \$1 billion just for property taxes. So, apparently there is 5 percent in this bill for economic development, 5 percent of the proceeds are to go toward economic development, and I favor that, and I applaud the people who put that in there. I think the Governor is right on line with economic de-

velopment, and I applaud him for that. The 5 percent of money is earmarked for that. So basically, 5 percent of the money you could probably float. If the numbers are as they say, \$3 billion, that would be \$150 million worth of proceeds every year. Well, with \$150 million, you could go out to the bond market and probably get, depending upon the rating, maybe \$2 billion, if it could get rated. First of all, no one knows if there will be any rating to this. We do not know how often this has been done, whether you can sell, basically pledge your receipts of gaming, which are uncertain, to finance bonds, and whether we like it or not, our name is going to be associated with this. I think this is a risky venture. I do not think we should be out there guaranteeing, there should be receipts of the revenues from the gaming guaranteeing bonds, and I think we have no business doing it. We should be spending the money as we get it, not going out and borrowing money for the next 20 years or 30 years on receipts when we do not know how certain they are, and I ask for a positive vote.

The PRESIDENT. The Chair recognizes the gentleman from Berks, Senator O'PAKE.

Senator O'PAKE. Madam President, I ask for a negative vote.

And the question recurring,

Will the Senate agree to amendment A3171 to amendment A3055?

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

YEA-21

Armstrong	Lemmond	Punt	White, Donald
Brightbill	Madigan	Rafferty	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	
Jubelirer	Pippy	Wenger	

NAY-29

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	Williams, Anthony H.
Costa	Kukovich	Scarnati	Williams, Constance
Earll	LaValle	Schwartz	Wozniak
Erickson	Logan	Stack	
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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 A3055, as amended?

M.J. WHITE AMENDMENT A3202
TO AMENDMENT A3055

Senator M.J. WHITE offered the following amendment No. A3202 to amendment No. A3055:

Amend Sec. 1 (Sec. 1304), page 25, line 45 (A3055), by striking out "shall" and inserting: may

Amend Sec. 1 (Sec. 1307), page 27, line 12 (A3055), by striking out "seven" and inserting: eight

Amend Sec. 1 (Sec. 1307), page 27, line 16 (A3055), by inserting after "more,": either Category 1 or

On the question,

Will the Senate agree to amendment A3202 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Berks, Senator O'PAKE.

Senator O'PAKE. Madam President, can we be at ease?

The PRESIDENT. Without objection, the Senate is at ease.

(The Senate was at ease.)

The PRESIDENT. The Chair recognizes the gentlewoman from Venango, Senator Mary Jo White.

Senator M.J. WHITE. Madam President, to the amendment, my understanding is that this simply restores the authority and discretion of the gaming commission to determine the type of facility that will be in the city of the second class, which is the city of Pittsburgh, and I would ask for an affirmative vote.

Senator FUMO. Madam President, may we be at ease?

The PRESIDENT. Without objection, the Senate will be at ease.

(The Senate was at ease.)

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

Senator FUMO. Madam President, we are ready to proceed. I ask for a negative vote.

And the question recurring,

Will the Senate agree to amendment A3202 to amendment A3055?

The yeas and nays were required by Senator M.J. WHITE and were as follows, viz:

YEA-21

Armstrong	Lemmond	Punt	White, Donald
Brightbill	Madigan	Rafferty	White, Mary Jo
Dent	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	
Jubelirer	Pippy	Wenger	

NAY-29

Boscola	Hughes	O'Pake	Tomlinson
Conti	Kasunic	Pileggi	Wagner
Corman	Kitchen	Rhoades	Williams, Anthony H.
Costa	Kukovich	Scarnati	Williams, Constance
Earll	LaValle	Schwartz	Wozniak
Erickson	Logan	Stack	
Ferlo	Mellow	Stout	
Fumo	Musto	Tartaglione	

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

ARMSTRONG AMENDMENT A3171 TO
AMENDMENT A3055 RECONSIDERED

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

Senator BRIGHTBILL. Madam President, I move that we reconsider the vote by which amendment A3171 to amendment A3055, Senator Armstrong's last amendment, failed.

The motion was agreed to.

And the question recurring,

Will the Senate agree to amendment A3171 to amendment A3055?

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

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

And the question recurring,

Will the Senate agree to amendment A3171 to amendment A3055?

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

YEA-22

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Donald
Dent	Madigan	Rafferty	White, Mary Jo
Earll	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	

NAY-28

Boscola	Hughes	Musto	Stout
Conti	Kasunic	O'Pake	Tartaglione
Corman	Kitchen	Pileggi	Tomlinson
Costa	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	Williams, Anthony H.
Ferlo	Logan	Schwartz	Williams, Constance
Fumo	Mellow	Stack	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 A3055, as amended?

PICCOLA AMENDMENT A3128
TO AMENDMENT A3055

Senator PICCOLA offered the following amendment No. A3128 to amendment No. A3055:

Amend Amendments, page 14, lines 53 through 59; page 15, lines 1 through 7, by striking out all of said lines on said pages and inserting:

Any appeal of a final order, determination or decision of the board involving the approval, issuance, denial or conditioning of a license entity application shall be subject to 2 Pa.C.S. Chs. 7 Subch A (relating to judicial review of Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to direct appeals from government agencies).

Amend Amendments, page 15, lines 11 through 17, by striking out all of said lines and inserting: 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies).

Amend Amendments, page 15, lines 23 through 29, by striking out "Notwithstanding" in line 23 and all of lines 24 through 29

On the question,

Will the Senate agree to amendment A3128 to amendment A3055?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Piccola.

Senator PICCOLA. Madam President, this amendment deals with three procedural aspects of this proposed new law, which I believe ought to be corrected in order to make it conform with our normal practice here in Pennsylvania.

The first part of the amendment deals with the appellate jurisdiction for appeals from decisions of the gaming board. For some reason, and I do not understand why, the Tomlinson amendment provides for direct appeal of decisions by the gaming board to the Pennsylvania Supreme Court. There is no other administrative appeals that go directly from an administrative agency to the Pennsylvania Supreme Court. They all go either to the local court of common pleas, or more frequently, to the Commonwealth Court, our intermediate appellate court which has jurisdiction for governmental agency appeals. This is entirely appropriate because the Commonwealth Court has the expertise, has a great body of law that they have decided these kind of cases over many, many years since their first existence in the early 1970s, and the appeals should go directly to the Commonwealth Court. In fact, the Supreme Court, one could argue, has very little expertise in agency appeals because very few cases ultimately get to the Supreme Court in this area of the law.

In addition, I have been told that one of the reasons that the sponsors have put this in the bill is because they think it will expedite the process. Quite frankly, I think it is going to slow the process down, unless, Madam President, and I am not normally a suspicious person, unless there is some kind of arrangement with our Pennsylvania Supreme Court to expedite these cases. Otherwise, the Supreme Court's history has been one of the long deliberation of cases. They sometimes take a year or more to come to conclusions on cases, whereas the Commonwealth Court decides these cases fairly quickly and churns them out in rapid order. So, I would propose that this amendment be adopted so that this agency's appeals will conform to all of the other agencies of our Commonwealth.

The second part of the amendment, Madam President, deals with the gaming board's licensing hearings and procedures. The amendment as it presently exists provides for the board to create its own procedures adopted by order of the board. It does not, and it should, Madam President, apply the provisions of our Commonwealth agency law. In the body of the Tomlinson amendment, there are references to something called a documentary hearing, there are references to something called an oral hearing. I am not exactly sure what those are. They are not defined in this amendment, they are not defined anywhere in law that I am aware of. If we simply would apply the Commonwealth agency law to this section, then this board would be able to perform under a very common law, a known law, a law that has very defined and definitive procedures. I am not sure, and again, if I were a suspicious person, I would think there was some effort to keep this new gaming board from performing in the way that all Commonwealth agencies perform.

Finally, Madam President, the third portion of the amendment deals with section 1206, which appears at first blush to apply the open meetings law or the Sunshine Law to the board and the Right-to-Know Law. But, when one reads further in section 1206, starting with the word "notwithstanding" on line 23, we find that for a variety of reasons, some of which are very unclear, the gaming board is exempted out of the Right-to-Know Law and the open meetings law. I do not think, of all the agencies that I can think of, this new gaming board should be exempted out of either one of those statutes. The public has a right to know what is going on there. There are provisions in the Right-to-Know Law and in the open meetings law for executive sessions under certain prescribed circumstances, and they would apply. But why we would set up a separate set of rules for this new agency, I have no idea. Again, if I were a suspicious person, I might think there was some effort to conceal something from the public, but I hope that is not the case. I think it would be much better for this board's credibility to have the open meetings law and the Right-to-Know Law applied to it in its totality.

I urge adoption of the amendment.

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

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

Senator BRIGHTBILL. Madam President, would the gentleman stand for interrogation?

The PRESIDENT. The gentlemen indicates he will. You may proceed.

Senator BRIGHTBILL. Madam President, the gentleman, as I understood his debate, indicated that there are secret meetings permitted under this proposed law. Is that correct?

Senator PICCOLA. Madam President, there are, under this proposed law, closed deliberations of the board, and they are undefined and undesignated.

Senator BRIGHTBILL. Madam President, so would it be fair to say then that they would be secret meetings?

Senator PICCOLA. Madam President, they would be closed and secret, not open to the public.

Senator BRIGHTBILL. Madam President, and is there a requirement that the public even know that there was a meeting?

Senator PICCOLA. Madam President, no, because there is no requirement that they be sunshined.

Senator BRIGHTBILL. Madam President, is this the board that is going to be granting licenses?

Senator PICCOLA. Madam President, yes, this is the gaming board, and it is the board that will also adopt its own procedures.

Senator BRIGHTBILL. Madam President, so the gaming board will be able to grant licenses in secret meetings?

Senator PICCOLA. Madam President, I think that is a potential possibility if they promulgate their rules the way the gentleman is suggesting.

Senator BRIGHTBILL. Senator Fumo is nodding true.

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

Senator FUMO. No, Madam President, I was just wondering if these guys rehearsed this earlier, or if it was ad lib.

Senator PICCOLA. Madam President, ad lib.

Senator FUMO. Okay, very good.

Senator BRIGHTBILL. I thank the gentleman.

And the question recurring,

Will the Senate agree to amendment A3128 to amendment A3055?

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

YEA-22

Armstrong	Jubelirer	Pippy	Wenger
Brightbill	Lemmond	Punt	White, Donald
Dent	Madigan	Rafferty	White, Mary Jo
Earll	Mowery	Robbins	Wonderling
Gordner	Orie	Thompson	
Greenleaf	Piccola	Waugh	

NAY-28

Boscola	Hughes	Musto	Stout
Conti	Kasunic	O'Pake	Tartaglione
Corman	Kitchen	Pileggi	Tomlinson
Costa	Kukovich	Rhoades	Wagner
Erickson	LaValle	Scarnati	Williams, Anthony H.
Ferlo	Logan	Schwartz	Williams, Constance
Fumo	Mellow	Stack	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 A3055, as amended?

FUMO AMENDMENT A3230
TO AMENDMENT A3055

Senator FUMO offered the following amendment No. A3230 to amendment No. A3055:

Amend Amendments, page 13, lines 28 through 33, by striking out all of said lines and inserting:

(12) Within six months after the effective date of this part, in a manner that does not impede the immediate implementation of the duties and responsibilities of the board under this part during the immediate two years after the effective date of this part, to develop and implement an affirmative action plan to assure that all persons are accorded equality of opportunity in employment, and contracting by the board, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

On the question,

Will the Senate agree to amendment A3230 to amendment A3055?

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

Senator FUMO. Madam President, this clarifies language on affirmative action as it appears on page 13 of the amendment.

And the question recurring,

Will the Senate agree to amendment A3230 to amendment A3055?

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

YEA-50

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

NAY-0

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

And the question recurring,
Will the Senate agree to amendment A3055, as amended?
The PRESIDENT. The bill and amendments will go over.

**SPECIAL ORDER OF BUSINESS
ANNOUNCEMENT BY THE SECRETARY**

The SECRETARY. Consent has been given for the Committee on Judiciary to consider House Bill No. 2722 in the Rules room during today's Session.

RECESS

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

Senator BRIGHTBILL. Madam President, I believe that Chairman Greenleaf would like to hold his meeting of the Committee on Judiciary now, and I think that since there is a bill and a nominee, I think the Members of the committee would be advised to report to the Rules room at the rear of the Chamber.

The PRESIDENT. Members of the Committee on Judiciary will please report to the Rules room with Senator Greenleaf.

Without objection, the Senate stands in recess.

AFTER RECESS

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

RECONSIDERATION OF HOUSE BILL 2330

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

Senator BRIGHTBILL. Madam President, I move to reconsider the vote by which House Bill No. 2330 was passed over in its order.

The motion was agreed to.

And the question recurring,
Will the Senate agree to amendment A3055, as amended?

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

Senator BRIGHTBILL. Madam President, for the information of the Members, the meeting of the Committee on Judiciary has just broken up and the Members' attention is called to the fact that we now have the Tomlinson amendment as amended ready to be debated. Following that, we will have the bill as amended on final passage. I am going to ask the Chair's permission to invite Members, if they desire to engage in any debate or comment, that they could do that now or they could present their comments for final passage. Since we are going to be here waiting for the enrolling of the bill, anybody who would like to present their comments now, I believe with the permission of the Chair, could do so.

The PRESIDENT. I suggest that we first do the vote on the amendment.

The Chair recognizes the gentleman from Philadelphia, Senator Fumo.

Senator FUMO. Madam President, I think what the Majority Leader is suggesting is that the normal debate and remarks that we would have on final passage, that we would ask the Chair for leeway so we could offer similar remarks on the amended amendment in order to save time while it is being printed, so we are asking the Chair to give us latitude at this point in time to speak on the amended amendment.

And the question recurring,
Will the Senate agree to amendment A3055, as amended?

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 arguments advanced 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 easily be offset by the social ills that it could produce. As we travel and move around throughout our great Commonwealth, we have seen cities, suburban and rural communities that have deteriorated because of the breakdown of families, because of the proliferation of substance abuse and other social ills, and yes, in some cases, from compulsive gambling. Tonight we ask ourselves, is it appropriate that we fund public priorities with proceeds from a practice that is known to be addictive? We have a proposal before us that will cause undesirable addiction, harm families, especially little children. It will increase the cost of social programs and add to potential personal and business bankruptcies.

How can we vote for this type of legislation? Is it not true that what we are voting for tonight has a provision to provide funding for those individuals who will be harmed by the passage of this bill? Even the proponents of this package recognize that by expanding gaming opportunities, it will bring on a proliferation of social problems. How will those problems be dealt with? Well, according to the amendment before us, it would be by taking moneys generated from gambling to help treat those people who have been harmed by gambling. Far too often we seek easy solutions to difficult problems. I believe this is one of those instances.

The results of the decision to expand gambling will have real and lasting effects for the people of Pennsylvania. Consider the problem that 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, insurance policies, cash bad checks, embezzle money at work, or commit other crimes, all because of losses in gambling. I am convinced that we do not need to turn to this vice to meet the challenges we face. As we prepare to vote on this amendment today, remember that not only are we voting on possible expansion of gambling, but we are betting on the future of the families who can be injured because of this potential addiction.

Madam President, I suggest a negative vote on the amendment before us.

Thank you, Madam President.

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

Senator STOUT. Madam President, I welcome an opportunity to speak on this legislation. As you know, I have only been back for about 3 weeks since I was off for nearly 6 months with intestinal flu and pneumonia, and I appreciate the latitude that my colleagues in the Senate have given me. But since I have not taken the microphone for some period of time, I do want to take a few minutes this evening to talk about a very important issue to me in the 46th Senatorial District.

What we are talking about, Madam President, a year ago when we debated and passed slot legislation, I came forward with some hand-drawn visual aids to get across my message about my support for gaming legislation. But, really what we are talking about is numbers. What we have heard for the last 5 hours is numbers, about how much money was going to be raised for this and that and what percentage would go here and there, and what impact it would have on the Commonwealth of Pennsylvania, so what I am going to talk about, the theme of my remarks tonight is numbers. We are going to play the numbers game and talk about numbers.

Now, a year ago I had a hand-drawn picture of a horse, because this started out with slots at the horsetracks of Pennsylvania, the four existing tracks, one of which is located in wild, wonderful Washington County, hard on the West Virginia border. At that time, it was not a good picture. Our former colleague, Ed Holl, was an artist and he could draw a good picture, but I had a little help this year from our colleague, Senator Lisa Boscola. She used her computer skills to get me a more computerized and a better picture of a horse. This is a picture of Adious, the most famous harness racing horse ever in the history of harness racing in this nation. That horse was from Avella, northern Washington County, and owned by Delvin Miller, the founder of The Meadows Racetrack. This is a picture of Adious, the racehorse. It started The Meadows Racetrack in 1963, and in 1963, we had a referendum in Washington County in which we approved harness racing. My brothers from Allegheny, Westmoreland, and Fayette Counties, they all turned harness racing down. But Washington County, we passed it, Washington County, that real Bible belt in southwestern Pennsylvania. We did it for a reason called money.

Now, I am going to tell you a story, but before I tell you that story, I should probably check with Steve MacNett and C.J. Hafner to give me legal counsel if I am past the statute of limita-

tions, because in 1963 an old Democratic warhorse called Charlie Faye, a Democratic committeeman from Cokeburg, who worked for the county commissioners, and they were for the harness racing referendum in 1963, so they had Charlie Faye try to get supporters. Charlie came to me, and I was in my early 20s and never ran a campaign before, but since I had been involved in politics locally, I served for 4 years as class president, from my freshman year through my senior year, Charlie said I had the potential to be a politician, so in 1963, Charlie came to me and said, Barry, this is a good thing. Harness racing will mean a lot to the economy of Washington County. It will help the farmers, it will help the local tax base and create jobs. So, Charlie convinced me, and I got some girlfriends from my high school class and we campaigned like hell, because that was a very controversial issue in 1963, and after all that work and the votes were counted, it was approved by 500 votes, and the glory of those votes came out of my beautiful downtown home of Bentleyville in Washington County. We delivered and passed the harness racing referendum, and that is why we got a racetrack in 1963, 41 years ago in Washington County.

The big part of that story was that this was the first campaign I ever worked. Now, I showed you graphics of the horse and numbers, and so forth, but in 1963 Charlie Faye paid me a grand total of \$50 to campaign, and that is a picture of Grant here on a \$50 bill, and I am telling you, brothers and sisters, in 1963, \$50 was a lot of money. If you campaigned, you got paid, and we delivered. We delivered the votes, and that is why Washington County got The Meadows Racetrack 41 years ago, in 1963. I am very proud of that.

Senator FUMO. I will hold that \$50 for the gentleman.

Senator STOUT. Madam President, I will not let him hold the \$50. Sure, you are from South Philadelphia. I know better than that. I might be a country boy, but I am not that dumb.

(Laughter.)

Now, last year, when we passed this, we were going to have eight tracks. Now, this bill got a little bit pregnant and now it has expanded to 14, in competition with 7 tracks, the 4 original tracks, and 3 additional tracks forthcoming, and 5 stand-alone casinos, and so forth, and 2 resort casinos to meet the needs of Pennsylvania. So the number is now 14, and I told you it is a numbers game. Those 14 venues, when they are up and operational, will produce \$1 billion. A 1 with 9 zeros is a hell of a lot of money that will be available for property tax relief in the Commonwealth of Pennsylvania, because 34 percent of the gross terminal revenue goes to the State for tax return. Roughly one-third of the money that will be coming from all these facilities when they are up and operating will produce to Pennsylvania, so that is a very important number to remember, \$1 billion, so that is a key number.

Now, the people who have those 14 venues, they are going to spend a lot of money—I am still not going to let you hold the \$50, Vince. No way. No way.

(Laughter.)

And these venues at the existing tracks and at the new tracks and the new casinos are going to invest money, somewhere between \$800 million and \$1 billion. That will create a lot of jobs, a lot of construction jobs for making all these improvements and buying material, and so forth, concrete and lumber, and all kinds

of material and services, a lot of engineers and consultants for the people to have jobs, so it means a lot to the economy of the Commonwealth, so that is a very important number also.

Now, we have the controversial thing, whether it should be \$50 million or more. Right now in the bill as it stands, the fee for licenses for these tracks is \$50 million a year. That is a significant number, \$50 million, so remember that number, too, along with the other ones I gave you.

And then the big thing here are 10,000 jobs, 10,000 jobs created in the Commonwealth by having gaming at 14 different venues. Now, we as Senators would do backflips on this floor to get 10,000 jobs. We do all kinds of things to try to encourage people to come forward and create jobs and invest here in the Commonwealth, and these will be good jobs, family-supporting jobs with benefits for people. These are significant jobs. Right here in my home county of Washington, there are 485 jobs to be created. The MECC group, MADNA Entertainment Complex Corporation, which owns The Meadows now, is going to create nearly 500 jobs in Washington County. Believe me, I would kiss you right in front of the podium up here if we create 500 jobs. Every one of us would bend over backwards to create 500 jobs, decent paying jobs. I believe in this legislation is language that allows money to be spent to train people to get these jobs, so I believe in home cooking, taking care of people down home. I understand my friend Senator Pileggi from Delaware County is going to have nearly 1,800 jobs created at Chester Downs in Delaware County, and that is a significant thing. So, I understand they have a little slogan called "Chester First." Well, that is great, Chester First, but I want Washington County first. I want these jobs to stay in Pennsylvania. I do not want some carpetbagger from West Virginia to come in and scarf up all these jobs that The Meadows is going to create, because they have experienced gaming people, and I want to be able to keep those jobs at home, so I am willing to invest money to train people so that they are ready to have these jobs and the technical skills they need to do that.

These jobs, one of the things I required of MADNA Corporation was to give me a list and a guarantee of how many jobs will be created, so I made them pony up ahead of time and they gave me the list of the jobs and salaries that they are going to pay. Slot attendees, 85 of those people will make about \$30,000-some a year, plus benefits. We will have 60 people working the cage and coin, at over \$30,000 a year, plus benefits. People in security, 50 people in security, and they are going to average over \$35,000 a year per job and benefits. We have slot technicians who will probably average about \$40,000 a year. We have people in maintenance, and so forth, so we have an average of \$35,000 a year with benefits for jobs. Those are good, family-supporting jobs, and some of the jobs are service jobs, waitresses and people working the bars, and so forth, who will be averaging \$10 to \$12 an hour plus tips, so they will have good economic opportunities, too. I want those jobs to stay with the residents of Pennsylvania, not to go out of State. That is why we need to work together to pass this. Training is a very important part to have people prepared to take these jobs, because we know there is some lead time necessary. Remember that.

There are going to be a number of higher level jobs created in management and marketing, and so forth, that are involved with

this, that will pay somewhere between \$50,000 and \$100,000, so you have about 40 to 50 jobs in that high range, so that is significant. You figure larger venues like Philadelphia, Chester County, or Pittsburgh, it will be much higher. I am just talking about Washington County that will have a gross terminal revenue of about \$150 million a year, and when you compare that to those venues, you will have a \$200 million to \$300 million handle that will be significantly larger.

Also, included in this legislation is 2 percent for the county, coming back to the host counties for these venues, and that will be 2 percent, which is estimated to produce \$12 million a year for your counties that will host these communities. That is significant, \$12 million. Due to the good leadership of our people who put this together, Senator Tomlinson and Senator Fumo and the others who worked hard, they had another \$12 million, and that is for the local municipalities, the townships, the boroughs, and the cities where these venues are located, and that is an additional \$12 million that is coming back to Pennsylvania, so that is a significant number to remember too, \$12 million.

Now, I have some more great numbers here for your education, and that is \$150 million helps everybody in this room, all 50 senatorial districts, statewide, economic development fund, that is 5 percent. That is a nickel out of every dollar that is handled that will come back to economic development to help economic development projects in your districts, to help new infrastructure needs, all kinds of public projects, and that is \$150 million. That is a significant amount of money we will have available each year for economic development. We all scratch and do everything we can to get economic development dollars for our district to help and do projects and infrastructures, so this is \$150 million that helps everyone in this Chamber, not just the people where the tracks are located. It helps every county from A to Z, from Philadelphia to Erie, from Wilkes-Barre to Waynesboro. The whole entire Commonwealth. So remember this \$150 million.

Well, I double-dipped and put in another \$12 million, but it is not true there. Now I have the horsemen's fund, the total horsemen's fund to help save the harness racing industry, the thoroughbred industry in Pennsylvania, because that creates some 35,000 jobs directly and indirectly in the racing industry and the horse breeders of Pennsylvania, the horsemen's fund will produce about \$200 million a year. So, that will help preserve the racing industry in Pennsylvania and thousands of jobs directly and indirectly related to horseracing in the Commonwealth of Pennsylvania, because we are losing out, they are going down and going down. We need to improve the purses, and so forth, and then we will be more competitive and be able to get more quality horses here in Pennsylvania to help create more jobs.

Also, all you great supporters of volunteer fire companies, our negotiators had the vision to put in a funding source, we all worked for the \$25 million to help the volunteer firemen. Almost everybody in this Chamber has volunteer firemen in their district, and those who do not have paid firemen, but we need this \$25 million so you can say you have a dedicated funding source. Since we got that funding for firemen a couple years ago, we have had to scrounge and genuflect each year trying to get that \$25 million back, and that is a significant amount of money. So, do not forget another number is the \$25 million for volunteer firemen.

I did all this graphic work by myself, I did not use public resources for that. I did this artwork myself. I got a few Magic Markers and some paper and did it.

Now, with The Meadows, I told you they are creating 450 jobs because we are getting gaming at The Meadows Racetrack. We have a group of investors who came in and started on the project last year, and once we get gaming to go ahead, they will move forward to Victory Center, a large retail complex right across Racetrack Road from The Meadows gaming facility. They are going to invest some \$250 million at that site, and it is estimated to create over 2,000 jobs. We are going to have a Bass Pro Shop there, four or five anchor stores, a lot of restaurants, and so forth, and that is an investment that helps the tax base in Washington County and Trinity School District and South Strabane Township, North Strabane Township, and all of them, and it creates 2,000 jobs. So, why is Barry Stout for the gaming bill? Because of the numbers and the dollars and what it means for Pennsylvania and for the 46th Senatorial District.

Now, we have argued about whether it is right or wrong to use gaming. I am one of the few Members still on floor, I know Bob Mellow, Bob Jubelirer, and Mike O'Pake were here in 1971 when we dealt with the Lottery bill, and I remember very well that after we passed the first State income tax then we passed the Lottery bill to fund the programs for senior citizens and dedicated that funding. We know that funded the property tax rebate, the PACE drug program, and helped out in senior centers, and so forth. It has been significant. I remember in 1971, I got letters because my late grandma, Grace Barnhart Stout, was a real pillar of the Presbyterian Church in western Washington County, and a guy sent me a letter on butcher paper, written in blood, your grandma Grace would turn over in her grave if she knew her grandson voted for the devil, because I voted for the Lottery bill in 1971, and I am still here, even though I voted for the devil. That is not the issue, because we have done a lot of good for Pennsylvanians with that, and we addressed that issue of morality and brought gaming, and so forth. The Stout farm was called the Wheeling Hill Presbyterian Church, it was so damn high you could see Wheeling, West Virginia, from the top of the hill. So I was born hard on the West Virginia line. I might talk like a West Virginian, but I was born in Pennsylvania. But, in 1971 we resolved that issue and now every day, if you get in your car and drive down to Wheeling Downs or Mountaineer Park, they are about 10 miles from my district in Washington, Pennsylvania, right down Interstate 70 to Wheeling, you can gamble. I guarantee you, when we went there you could see that about 50 to 65 percent of the cars had Pennsylvania license plates. People gamble because they want to, they want access. I am sure the same is true in Bucks County, or somewhere else. But we did that, so I do not think it is an issue. We are not telling people to gamble, they are gambling because they want to, and we have to keep some of that money here in the Commonwealth.

Now, it comes down to the question of the numbers. We know we need 26 votes to make this pass, 26, and I feel that we are going to be successful tonight and pass this. So, remember we have to have 26 votes. Now, I predict, and I know our negotiators know more about the vote count than I do, that we will have 30-plus votes. I think when we take a vote later this evening or early in the morning, whenever it is going to be, we will have the

votes to pass this legislation, because now is the time, the time is right. So, 30 votes.

Vince, you must had have stolen one of my pictures. I told you the story of Adious, the famous harness racing horse, the horse of the century. When he finished his racing years, he went to stud service, and when the owner, Delvin Miller, put him out to stud there was a premium price paid for that. But when you have a horse standing stud, you have to be careful he does not get injured, because sometimes when the mares come into heat, they get a little frisky. So what they do, in order to have a little foreplay before the action happens, they have a horse come in there and kind of rub around and sniff around, and things of that nature, in order to start the process, because they did not want to risk injuring the famous Adious. He got about \$25,000 a visit at that time, and that was a lot of money. But there was a horse there, a pony they called Snuffy, and he would get involved there when the breeding process was getting started. He was all bit up. The mares would bite him and they chewed off his ear, and he had a lot of cuts and bruises, and so forth, and when the time came when they thought something was going to happen, they pulled him out of the stall and they brought Adious in to do his duty, which he was well paid for, as I told you. Poor old Snuffy, he was a sniff pony, and I do not want to be a sniff pony today, we want this bill to pass. So, do not end up being a sniff pony and walk away all frustrated because you cannot get the job done.

So, I am telling you the truth, this is the time, the time is right. So, I have a picture here that showed the rear end of a horse, but I cannot find that, Vince, the rear end of a horse. There it is. Thank you, Lisa. Bring my picture up here, I need that. What I am going say is, do not leave the Chamber, because I guarantee you that the voters of Pennsylvania will think we are the rear end of a horse if we do not get this bill passed, because it means a lot to the future of Pennsylvania, billions of dollars' worth of investment money coming back for property tax reform, money coming back for economic development, money coming back for fire departments. It is an opportunity. Now, you could say I am for the bill because it is right on the West Virginia line. Yes, I have two gaming places within 10 miles of my district, Mountaineer Park and Wheeling Downs. So, my people go there and they vote, and I get elected by Republicans and Democrats, and the majority of my constituents support gaming, as do I think the majority of Pennsylvanians. We should face reality. We are here in the year 2004, and now is the time, the time is right, so do not walk away here. You are missing an opportunity, and people will think you are a horse's rump.

So, thank you, Madam President, and let us get the job done. Get more than 26 votes and pass this meaningful legislation. I respect Senator Tomlinson and Senator Fumo and the negotiators from both sides of the aisle in the House and Senate, and so forth, who worked so long. There is an old country saying I use all the time: you always whip the horse that does the pulling. The other horse is not going to pull anyway, so do not waste your time whipping him, whip the horse that pulls and he will pull a little harder. We whipped Vince and Senator Tomlinson and the other people to get the job done. With a team of horses, there are always lead horses, and they have been the lead horses in putting this together.

So, I thank them for their efforts and their staff's work and the people supporting this. So, now it is up to you to move Pennsylvania forward in the year 2004. I gave you the dates, the numbers, you have the numbers, you have the material, so go on and do the Lord's work. Amen.

The PRESIDENT. Senator Stout, thank you so much for your most remarkable presentation and description of how you see the future of Pennsylvania and the changes that will occur. Thank you.

The Chair recognizes the gentleman from Beaver, Senator LaValle.

Senator LaVALLE. Madam President, I am sure Senator Stout will somewhat qualify for an Academy Award this year.

Just as a closing suggestion, because I listened patiently to a host of amendments tonight, some suggesting the money we will get from gaming in Pennsylvania will be tainted, even to the degree that it will breed chronic gamblers and attract organized crime, et cetera, et cetera, ignoring how much good this new revenue will do for property tax relief and economic development projects, and because of that, I respectfully request that those who vote "no" on this bill turn down any of this new revenue and allow those of us who vote in favor to have a bigger share of the pie. That way, Madam President, this bad money will not have an adverse effect on those districts that claim this new revenue is somewhat tainted and not worthy of use. You see, Madam President, you cannot, or at least you should not, have it both ways: oppose gaming, but accept the money.

Thank you, Madam President.

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

Senator WAGNER. Madam President, I rise in support of House Bill No. 2330 and the amendment, and I appreciate my colleague, Senator Stout, for his levity, and also as an historian, telling us a whole lot about Washington County and how The Meadows Racetrack was actually formed 40 years ago.

Madam President, it was almost 1 year ago tonight that we passed House Bill No. 623, which was a piece of gaming legislation, by a very close margin, and I would suspect tonight the margin would be similar, or maybe slightly different. I have heard many of the arguments for and against. I have also heard and listened to many of the amendments. Madam President, as I said a year ago and I will say again tonight, there are some very honest disagreements and proposals that have been put forth, and I believe that a large majority of the Members are very sincere in what they are trying to do, Senator Armstrong being one who had the most amendments, is very sincere in his proposals related to this legislation.

Madam President, we can have honest disagreements on a piece of legislation of this magnitude, but at the end of the day, I believe there will be bipartisan support, and I know Senator Tomlinson and Senator Fumo and their staff, and a multitude of other people, have worked in a bipartisan way to craft this legislation for well over a year. And I know when Governor Rendell took office a year and a half ago, this was one of his top priorities, the expansion of gaming and property tax reduction. And we are here tonight to move in that direction, and I believe in a very positive way for Pennsylvania.

Some things have changed in the last year and some things have not. We continue to have a horseracing industry in Pennsylvania that is declining, as it was a year ago, and declining significantly, to the point where 20 years ago there were 5 million people a year attending the four venues in Pennsylvania - The Meadows, Penn National, Pocono Downs, and Philadelphia Park. That number today is less than 1 million people. As I said a year ago, the horseracing industry in Pennsylvania is dying, when, in fact, it is a very important part of Pennsylvania's economy, especially as it relates to agriculture. We have over 2,500 horse breeders in Pennsylvania who take over a half a million acres of property out on the farm, one of the largest in the world at Hanover Farms. And Pennsylvania should be very proud of that agricultural component that it has, horse breeding and horse training, over 3,000 horseowners own over 25,000 horses in Pennsylvania. So, the legislation we are passing tonight does a whole lot to improve that industry, because we have been losing it to adjoining States, to West Virginia, to Delaware, to other locations. So, House Bill No. 2330 reverses that trend.

It just so happens, Madam President, that within the last year something very positive has happened, and I know Senator Tomlinson and Senator Conti have spoken on the Senate floor about a very proud horse in Pennsylvania, Smarty Jones, that won two out of the three races of the Triple Crown, missed winning the Triple Crown by one length, and made Pennsylvania very proud. The owner, Roy Chapman, and the trainer, John Servis, did an exceptional job. But we must remember, Madam President, those three big races, the Kentucky Derby, the Preakness, and the Belmont Stakes, all occurred outside of Pennsylvania, in Kentucky, in Maryland, and in New York. It would be nice to see us reverse the trend where we have more like Smarty Jones running in very competitive races right here in Pennsylvania. Tonight's vote gives Pennsylvania the opportunity to be as competitive as some of those other States that have been taking away this agricultural component.

In addition to this legislation supporting the agricultural industry, it also very much supports the travel and tourism industry, because we know factually that over 25,000 people leave Pennsylvania every day and go to adjoining States, New Jersey, Delaware, West Virginia, New York, many States, for gaming purposes, and that is not a new phenomena, Madam President, that has been going on for years. So we are losing 25,000 Pennsylvanians who are taking Pennsylvania dollars and spending those dollars in adjoining States. We have the opportunity with this legislation to keep those 25,000 people in Pennsylvania, and as a matter of fact, begin to reverse that trend. And we have put huge investments in the travel and tourism industry right from this General Assembly, not only in travel and tourism, but huge investments such as convention centers, the Pennsylvania Convention Center in Philadelphia, the David L. Lawrence Convention Center in Pittsburgh, which is a magnificent facility that just opened a year ago. Well, by adding a new dimension in gaming and in horseracing, more people will come to Pennsylvania. We will have more conventions, we will have more travel, we will have more tourism.

But what all that means, Madam President, is, yes, it improves two industries, agriculture and travel and tourism, but really what it does is creates jobs for Pennsylvanians, and that is what we

have been losing. Senator Stout said it well, there will be an additional 10,000 jobs created for Pennsylvanians as a result of this legislation.

I believe there will be a spin-off impact also in the industries I just indicated and in a variety of other industries, the hotel industry, the restaurant industry, the gasoline stations where people spend their money when they visit Pennsylvania in more than one or two or three ways. So, Pennsylvania does have an opportunity, I believe, tonight in passing this legislation to do even much more than what has been said here this evening, and that is really what is in front of us.

There is a legitimate argument about wagering and the expansion of wagering in Pennsylvania, but I do not think any of us are going to stop that. We are not going to stop those 25,000 Pennsylvanians who leave Pennsylvania each and every day, and I say, let us keep them here. And as a result of this legislation, Madam President, it has been said many times that, yes, we are going to, for the very first time, initiate property tax reduction in Pennsylvania. It has been talked about in my 10 years each and every year as a Senator, and I know it goes back to three, four, five governors. There was an attempt years ago by Governor Casey to initiate property tax reductions, and we have been talking about it, talking about it, and talking about it, but, Madam President, we have never completed the task, and it is about time we complete that task.

I will add one last component of this legislation. It has been talked about that there will be an economic development fund created. I know Senator Fumo has talked about it extensively, and I truly believe that economic development fund will really be a true boost for Pennsylvania's economy, and certainly in southwestern Pennsylvania, where my senatorial district is, and I know the Senators in southwestern Pennsylvania, in Allegheny County and beyond Allegheny County, have worked hard to make sure that certain needs are addressed. And there is a very significant need, Madam President, and it is Pittsburgh International Airport. Pittsburgh International Airport and U.S. Airways have truly been in financial trouble. U.S. Airways has not been a good corporate citizen, at least in western Pennsylvania as it relates to retention of their operations at Pittsburgh International. We are sending a very, very strong message tonight that we are doing as much as possible to work to reduce the debt of Pittsburgh International Airport, and as a result of reducing that debt, reduce the debt service of U.S. Airways and every airline that operates out of Pittsburgh International. And we hope as a result of doing that and doing some other things, that U.S. Airways would look favorably upon the 8,000 employees who operate out of that airport and over 10,000 employees who also operate out of Philadelphia and a variety of other airports in Pennsylvania.

So, yes, Madam President, this legislation is significant in many ways that have not even been discussed tonight. But I think at the heart and soul of it is the retention of jobs and the creation of jobs, and it is about time we get this done. We have been talking about it a year and a half. Again, my compliments to everyone who has worked so hard. I know Senator Tomlinson and Senator Fumo have not always agreed, but they worked in a very bipartisan way to make sure this happens.

Thank you.

The PRESIDENT. Thank you, Senator Wagner, for your fine comments on your perception of the changes that will occur.

The Chair recognizes the gentleman from Blair, Senator Jubelirer.

The PRESIDENT pro tempore. Madam President, it is 1:25 Friday morning, July 2, and we are still at it. This debate certainly is not a surprise. Those of us who oppose slots have long realized that the day could come when the advocates would find accord on venue configuration and money distribution and then slots would be a reality. You see, the opponents of this bill never had the votes to defeat it, it was always the proponents who argued over various things until they could come together, and tonight appears to be that evening. There is also no surprise in my view. I have consistently opposed slots and other forms of gambling expansion. I have been called a Puritan and worse in letters and editorials, but that is all right. The people in my district have, year after year in large proportion, opposed gambling expansion. I am not going to change anyone's vote at this point, but I just want to underline a key consideration in the process that is about to unfold.

As this discussion has evolved over the years, much of the advocacy and commentary has taken on an "everyone wins" boosterism. Of course, the so-called success of gambling is predicated on lots of people losing, not winning. With the ambitious revenue targets in this plan, it is predicated on lots and lots of people losing lots and lots of money. Madam President, we must addict tens of thousands of Pennsylvanians who have to lose to make this work. I am going to repeat that, Madam President. We must addict tens of thousands of Pennsylvanians who have to lose to make this work. I am not sure that is such good economic policy.

Some of the folks on the outside touting slots regard this as little more than what the NBA describes as no harm, no foul. The impact will be more profound than that. The traveling gamblers are not all staying home. The other States are not standing pat. They will take measures to add to their allure. So to produce the targeted revenue numbers, a whole new generation of slot players must, absolutely must, be hooked for this to work. That pressure to produce will inevitably mean more problem gamblers. This bill is bringing a tremendous number of slot machines into Pennsylvania's communities. That increased access will inevitably mean more problem gamblers. More problem gamblers means a ripple effect of more crime and more social problems.

Madam President, 25 years ago when some Pennsylvanians were seriously pushing casino gambling in the wake of its advent in Atlantic City, I sponsored legislation to establish a program providing for treatment for compulsive gamblers. At the time we were looking for \$150,000 to fund it. Frankly, many people sneered at the idea, and it went nowhere. In their view, we were throwing money away on people who merely had bad luck or maybe even weak character. Unfortunately, time has shown that the compulsive gambling problem is indeed very real. I once attended a meeting of Gamblers Anonymous as an invitation to see what some of those problems were. The stories that individuals told of lives thrown away, careers wrecked, families lost, trust betrayed, and reputations ruined, were extremely sad.

I remember the story of the man who stole from his church. I remember the story of the man who stole from his business, who went home and when his wife asked him what happened, he abused her. I remember the story of the man and his wife who were traveling at night in the Pocono Mountains with their 10- or 12-year-old son in the back seat, and he told the story, he told the story as he was calculating numbers in his head, and the little boy kept asking questions and he told the little boy to shut up, and when the little boy did not shut up, he stopped the car, opened the door, and threw the little boy out at night in the Pocono Mountains. His wife was hysterical, and when they finally got to their destination, she called the Pennsylvania State Police, who were able to pick that little boy up. These are just some of the stories that I heard quite a few years ago. These are not just made up, they are real, real stories.

You see, the name of the game is to have the action. It is not the winning or the losing, because frankly, most of them lose, but you must have the action, constantly have the action, and that is what happens with a compulsive gambler. These individuals were not hardened criminals. They were not habitual con artists. See, they were business owners, church workers, and community organization volunteers, everyday people. They were young, they were old, and they let temptation turn into an unquenchable addiction. When you talk about drug addiction, everybody says what a horrible thing this is and we have to take steps in society, through drug and alcohol programs, to try to take care of these people, to wean them away from their addiction. When we talk about alcohol, we do the same thing. We have laws that prevent people from driving a car under the influence of drugs or alcohol. And yet, when we talk about gambling addiction, it is like, that is really not so bad, they just had some hard luck, no big deal.

Some of us will not have a slots parlor in our district. That does not mean that the problems attendant to gambling expansion will bypass those whom we represent. This bill at least contains a series of provisions and somewhere between \$1.5 million and \$2 million directed toward the treatment of compulsive gamblers. I suspect that will not be enough, but at least the beginning is there. We cannot gauge how much will ultimately be needed, but make no mistake, it will be needed. It is extremely important to establish a structure, because no matter how much someone wants to sugarcoat the discussion, easier access to a quick action form of gambling will mean more and more addiction. Preventing the increase would be preferable, but with approval of the slots package imminent, attention must turn to dealing with the consequences of the action of what is going to take place here tonight and likely will take place in the House at a later time.

Nothing I have read, nothing I have heard convinces me that slots are a necessary thing or a good thing for Pennsylvania. We cannot sugarcoat it. Yes, there is going to be a lot of money, and frankly, there was a lot of money pushing to get this bill done, and yes, there will be projects done and people will cut ribbons and will say wonderful things and will talk about tax reform, but let us remember, there are consequences. Make no mistake about it, anywhere this has occurred there were consequences.

Yet, I do want to acknowledge, and I think it is only right, the leadership, the effort of Senator Tomlinson. He had a dream to be able to help Philadelphia Park in Bensalem. He wanted to make sure that his workers were going to be retained and that the

horseracing industry, as Senator Wagner talked about, became healthy again, and I respect him for that. He started many years ago with the idea of protecting jobs in his district, helping an important but struggling industry, and giving a financial boost to his local communities. And a year ago, and I guess a year before that, we passed two bills in this Senate that did just that. It provided for slots at the racetracks. We have come a long way, we have come a long way from that, and this is far, far from just protecting and helping the horseracing industry. When it left here it was amended in the House of Representatives to do far more, it ballooned, and then those who were greedy, those outside this building who wanted to have their own agenda, an agenda for more gambling and more gambling and more gambling, whether it be slots, whether it be any kind of revenue that would come from gambling, certainly began to take place.

And I have read in many clips that there is nothing to prevent us to come back and certainly talk about table games, because you see, that is the next step. As I have said before, this is not the camel's nose under the tent. He is down to the second hump, and we will be back here debating roulette, we will be debating craps, we will be debating blackjack, probably video poker, the crack cocaine of gambling, video poker. It is not going to stop here, Madam President, because everybody is going to have to compete. It is going to continue to grow and grow and the problems will become larger and larger.

Senator Tomlinson stuck with his goals through the years and the many twists and turns the issue has taken. It is a rare brand of determination, and I congratulate him tonight. He is fighting for his district and constituents, and frankly, that is why each and every one of us is sent here. This is not what he started out to do, but this is the final product of what we have. Maybe that is what makes this issue so very, very difficult. Good people, very good people and solid leaders have poured so much time, so much talent, so much energy into a result that has raised a lot of hopes in a lot of places, lots of hopes out there, but that will be so disappointing to many, and I am afraid so devastating to some.

Madam President, we are about to take, as I think Senator Fumo was quoted in the paper, one of the most historic votes that this General Assembly has ever undertaken, and I agree with that. I think we would take different views of what the results of that will be. I frankly believe that we are in the process of creating a monster. I do not believe this is good for Pennsylvania. I do not believe that the citizens of Pennsylvania are going to benefit more than they are going to suffer. Time will answer all these questions, and again, I understand that some had to vote for this because they believe that it is in the best interest of their district, and I respect that with everything that is in me. In my case, I do not think my district would send me here to support this bill, and my vote today will be a negative one.

Thank you, Madam President, and Members of the Senate, for listening to me at now 20 minutes of 2:00 in the morning.

The PRESIDENT. The Chair recognizes the gentleman from Berks, Senator O'Pake.

Senator O'PAKE. Madam President, I am no fan of gambling, and this legislation is certainly not a cure-all for our unfair and crushing tax system that punishes homeowners throughout Pennsylvania, but let us not lose sight of what this is all about. This is to enable us to achieve the largest property tax cut in the history

of Pennsylvania. As we learned when we passed the Pennsylvania Lottery in 1971, as Senator Stout so eloquently pointed out, a limited expansion of gambling, properly controlled, can be of significant benefit to thousands of Pennsylvanians. Today we celebrated the 20th anniversary of PACE, the prescription assistance program in Pennsylvania. Over a million Pennsylvania senior citizens have gotten help with the cost of their prescription drugs because of the Lottery. Unlike other tax reform proposals tried before for many years in this Chamber or talked about some in the other chamber, but I understand they do not have the Republican support, the leadership support for what they are talking about, expanding the sales tax and the gross receipts tax or whatever new tax they create, this is a plan and the only plan that does not force anyone to pay more taxes so that homeowners can pay less in taxes. Like the Lottery, no one is being forced to play a slot machine. It is a choice that responsible adults are making now and taking their money to New Jersey and Delaware and West Virginia, and soon New York.

Now, I understand and appreciate the sincere concerns expressed by Senator Jubelirer, Senator Wenger, and others about the potential social ills associated with compulsive gambling. But what about the social ills and social injustice of more and more of our senior citizens being forced out of their homes by skyrocketing property taxes? How long are we going to tolerate our people, especially our older senior citizens on fixed incomes, losing one of the most important possessions they have worked for and saved for all their lives, or having to sacrifice food and other basic necessities just so they can scrape together enough money to pay the taxes for the roof over their heads? It is time to stop talking about tax reform and start acting. This is the only bill before us. The people of Pennsylvania have waited long enough. We must pass this so that we can achieve the largest property tax cut in the history of Pennsylvania.

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

Senator FUMO. Madam President, I know the hour is late. I just want to give a few brief remarks. I want to talk to the people of Pennsylvania tonight, anyone still watching at a quarter to 2:00 in the morning. I received a phone call on the floor tonight at 10:30 that made me a very happy father. My 14-year-old must have been channel surfing and hit upon PCN and saw her father for the first time doing what he does on the Senate floor and called me and congratulated me. I told her to wait around and we would have even better stuff yet, but I think she did the right thing and continued flipping channels and went to bed. At least I hope she is in bed now.

Madam President and the people of Pennsylvania, we have heard a long, long debate tonight, a debate not just among the people who are speaking on this basically final passage provision, but among all the amendments and among all the issues that we spoke about. Some of it was filled with levity, but all in all I think we are all very serious. There are truly people in this body and in this State who have honest differences of opinion, but the fact is that what we are about to do tonight is something historic. It is something that none of us has had the pleasure of participating in for three decades. We are about to meet competition. I understand the plight of gamblers who are addicted to this. I had two very close friends, one whom all of you may know once

owned the Philadelphia Eagles, Leonard Tose. I watched him lose \$10 million at the Atlantic City crap tables. He was a Pennsylvania resident. He went and lost it all.

There is right now in Pennsylvania approximately \$4 billion of our money that is being spent in Atlantic City, in West Virginia, and in Delaware. Whether we do this tonight or not, that will continue. I have said many, many times before, if this were 20 or 30 years ago and the only place you could gamble was Las Vegas, the last thing I would be doing is advocating legalized slot machines in Pennsylvania. But despite the ills and despite the anecdotes, this is something that in the end, when we put it on a scale, will give us more good than bad.

There is nothing that we do that does not have consequences, and we are only human, we may make mistakes. It is our job and it is our sworn oath to come here and do what we can for the people of Pennsylvania to the best of our ability. In this bill I believe we have done that. We are faced with competition, we are faced with gambling on our borders, we are faced with a demand for this product, if you call it that, from our very own citizens. Are we to continue to allow New Jersey, which is the State that gets most of our money, to build the things for their schools and their kids and take care of their senior citizens and their people with our money and let our people suffer, let our senior citizens who are facing property tax problems suffer? I do not think we should do that. There are people in here who think we should. I disagree with them. Should we sit back in this economy and say to the potential employees of this industry, you should not have a job? We are not doing great in this State. We always lag behind any recovery, and this year we are doing the same thing, although we are having some slight recovery, there are still thousands of thousands of people who are unemployed and underemployed in this Commonwealth. I heard Senator Stout say we would bend over and do handstands to try to get jobs. I watched this Chamber and I watched this State put \$630,000 per job on the line at Kvaerner in my district. I thought it was an outrageous amount of money to be spent. The most we were ever going to get out of that was a thousand jobs, and we did that for a couple of years, and we now find that half a billion dollars of taxpayer money is basically going to be wasted because we never got the jobs we were supposed to get out of that. We would do anything to create 10,000 jobs. But let us say we are wrong, it is only 5,000 jobs. We have an obligation to those people who need those jobs.

In addition, this is not just about slot machines and property tax reform. This bill will generate an economic development fund that will yield \$2 billion in money for projects throughout this State, projects that are urgently needed. One of them is the Pennsylvania Convention Center, and you can say you are for it or not, but we have it and we have to continue to keep it. We passed a bill out of here recently that put \$430 million potentially into that project. By passing this bill tonight, we will now free up that \$430 million in capital redevelopment money for the rest of the Commonwealth, and we are limiting the city of Philadelphia and the county of Allegheny to projects enumerated in this bill for the next 10 years. That means that approximately another billion dollars is available for all other areas of this Commonwealth in capital projects.

Now, let us take a look at the entities themselves. In Philadelphia, I have heard projections as high as \$200 million and \$300

million will be spent on each of the facilities in Philadelphia when they are built. Throughout the rest of the State with these 12 major licenses, you are going to have an average of at least \$100 million in construction. That is another \$1.5 billion in our economy. I can see no other State that has that kind of an economic stimulus, vis-a-vis its gross domestic product, as we will have, and that means even more jobs.

Yes, is it gambling? Sure. Is it a problem? Sure. We already have gambling. We have gambling at the very racetracks we are trying to save. We have gambling with the Pennsylvania Lottery, and if you have not looked in your local bar, go take a look at the illegal machines that are in there. We have to take our heads out of the sand. I fully sympathize with those people who have a deep moral conviction against gambling, but I have to say to you, the same way we did this years and years ago for the Lottery, and as has been said, millions of people have benefitted from it and very few have really been hurt by it, we are about to do the same thing. We are not making things any worse in Pennsylvania. We are making them much better, and our time has come. We had to fight to get the Lottery in Pennsylvania. New Jersey had it first. I had people driving over the bridge to buy tickets on a weekly basis until we had our own Lottery. So, what else can we do? It is a momentous decision, and the reason why these things only happen once every 30 years or so is because they are so important, because they are at times so divisive, and because we are such a conservative State, but even the time has come for Pennsylvania to move forward.

I want to remind you of some of the things we have done in this bill. We are the first State in America to charge a \$50 million fee for a gambling license. No other State has ever done that. We are the first. We are going to have enforcement provisions, and there are enforcement provisions in this amendment that far exceed any other State's. If people think it is going to be easy to get a license or they have the in, or this and that, and it is going to be no sweat, let them submit themselves to the kind of scrutiny they have to go through to get a license. It is not going to be an easy task for anyone. We have done everything we can to safeguard the public from organized crime and its influences. We recognize the dangers of this industry, and yes, this is the first time in Pennsylvania's history that we finally have meaningful campaign finance reform. No people involved in this industry are going to be able to give political contributions to any party, any PAC, any candidate in Pennsylvania. And they will certify that under provisions just as strong as Sarbanes-Oxley.

There are a lot of things in here like that which are going to help a lot of people. We have got to take the risk, and yes, I did say before that I hoped this yields this kind of money, and I think it will. We did not just pull the numbers out of the sky. We had experts who did the analysis for us, and we think we are conservative on our numbers, and when we just take a look at how much money goes across our borders, we can make our targets just with that money alone. It does mean a lot of money will be gambled and a lot of money will be lost and a lot of money will be won. I am not an advocate of gambling; I do not gamble myself. But I am also a realist, and I can see what is happening. We have taken provisions for Gamblers Anonymous and things like that. We put \$2.5 million in there that will grow with the amount of money wagered. We have taken prohibitions against operators

accepting credit cards and debit cards. We put ATM machines out of the areas of slot machines. We have tried to deal as effectively as we can with human frailty, but recognizing that it exists.

As far as our horsemen are concerned, they do need help. This bill, when ultimately fully funded, will yield \$566,000 a day for horse breeding, horse training, taking care of the employees, health insurance for people, back lot repairs and purses. And yes, it is my dream that some day the Pennsylvania Derby will be bigger than the Kentucky Derby.

These are the things we did. We did the best we could with what we had to work with. This was a political process. Not everybody got what they wanted, but everybody got what they should get, and we did the best we could. Senator Tomlinson and I had our disagreements, but when we finally sat down and explained them to each other, we found out we had more in common than we disagreed with. Some people will say I sold them a bill of goods, but I do not think I did.

But with that tonight, I would like to thank a lot of people who helped us get here this evening. George Bedwick from Mike Veon's office, Audrey Powell from Representative DeWeese's staff, Fran Cleaver and Jim Cawley from Senator Tomlinson's office, Vicki Wilken of Senator Conti's staff, Edward Hussie and Joseph Murphy from the House Republican Leader's office, Brian Preski from the Speaker's Office, and Tony Lepore from our Leader's office. In addition, on my staff, Dawn Morrioni Robsock and Dan Coyne, and I want to give a particular thanks to Chris Craig, who has worked this issue for years and who has become now an acknowledged expert in this field, and I want to thank him for all his hours of devotion and hard work. And Chris is not the best with social skills and people skills, so for him this was a particularly daunting task, and he came through with flying colors. I watched him sit there and--

Senator TOMLINSON. I object.

Senator FUMO. --I watched him sit there and keep his mouth shut when I knew he wanted to open it, but in the end we got to where we got. And I think we have the best bill in America when it comes to gambling. Yes, it is dangerous, but yes, it exists, and we have to learn to deal with it.

So with that, I ask for an affirmative vote. I want to thank everybody again, and, Madam President I have a few remarks that I would like to submit for the record in addition to that concerning the constitutionality and other issues, and I want to thank everybody for hanging in this late tonight. I want to thank Senator Tomlinson and Senator Conti for their help and all the Members of the Republican side of the aisle who stuck with this. This was a dream that Senator Tomlinson had that we all joined in, and I think tonight is historic, and I will tell you, I will be proud to come back here in 5 years and give you a report on how well this has worked. I do not think any one of us will have to hold our heads in shame that anything went wrong. I think we will have something good, very good for Pennsylvania.

Thank you, Madam President, and thank you to the people of Pennsylvania.

(The following prepared statement was made a part of record at the request of the gentleman from Philadelphia, Senator FUMO:)

Madam President, I rise to speak about the inevitability of actions that will be taken by those who oppose the legalization of slot machines in the Commonwealth to benefit the State's horseracing industry. Despite the fact that there is a majority of legislative votes in this Chamber for the bill that we are considering, those who do not succeed in their legislative opposition will predictably seek to fight this bill in court, specifically claiming that our consideration and passage today of the legislation somehow violated Article III of the Pennsylvania Constitution.

This is a specious argument. Knowing that Pennsylvania Court routinely takes judicial notice of the legislative journals of the Pennsylvania General Assembly, I would like to take this opportunity to state for the record several important facts that should be noted if such a legal challenge is advanced.

First, it cannot be accurately claimed that the members of the Pennsylvania General Assembly, and the general public were not put on notice that the Senate would consider and vote on legislation that would legalize slot machine operation as a means of generating revenue for the Commonwealth and to benefit the racehorse industry. For months, the newspapers in the State, national media, and financial community has reported that this legislative measure would be considered this week. In fact, every Member in this Chamber, and most news reporters were provided copies of the bill well in advance of today's vote. This bill has been one of the most publicized legislative issues that has ever been considered in the General Assembly.

Secondly, at no time has this bill's original purpose changed. This bill was originally introduced to provide for a manner of regulating the Pennsylvania horseracing industry. This purpose has not changed. The amendment we offered furthers the regulation of the Pennsylvania horseracing industry and funds many of the horse development functions with a direct subsidy from the legalization of gaming operations throughout the Commonwealth. The original purpose has never changed. We have included the manner in which criminal background information is to be shared between the Pennsylvania State Police, the Horseracing Commission, the Harness Racing Commission and other State agencies. The core fundamental purpose of the legalization of slots is to support the existing racing industry, ensure its operational integrity, increase racing venues, provide stronger regulatory control, and to raise Pennsylvania's prominence as a horseracing venue in the country. Everyone who votes for this bill this evening fully understands this objective. There has never been any confusion as to what each and every Member is voting on this evening.

Thirdly, this bill embraces only one subject as expressed in its drafting as an amendment to Title 4 of the Pennsylvania Consolidated Statutes, in this case, the subject of amusements or more specifically, Pennsylvania horseracing. A new chapter to Title 4 has been added, entitled, the Pennsylvania Racehorse Development and Gaming Act, of which slot machine operations are the revenue engine through which Pennsylvania may enhance horseracing opportunities. Simply stated, though the media simplification of this issue is slot machines, the public policy purpose that carries throughout every provision of this Act is the development of the horseracing industry.

It is worthwhile noting that other bills, which may, in the minds of some, be constitutionally "safer" legislative vehicles were available. However, no one who opposed this measure or who claimed that they did not have enough time to consider it, requested that another vehicle or process be used to consider this issue. This was the chosen manner to consider this bill by those opposed and those who supported the passage of this bill. It was a decision of this legislative body, collectively.

This is a well-crafted legislative initiative that has been the subject of countless amendments, debates, and meetings in the General Assembly. In various forms, this issue has been presented on numerous occasions to every elected Member of the legislature, and each have had ample opportunity to comment and offer their amendments for consideration. A legal challenge based on an Article III claim is without merit and represents a misrepresentation of the legislation process through which this issue has been considered.

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

Senator TOMLINSON. Madam President, I know earlier I thanked my staff and Senator Fumo's staff, and I take particular exception to Senator Fumo's description of Christopher Craig. Christopher Craig and I did have quite a few encounters early on, and I probably feel more sorry for Christopher Craig than any other staff member. He had Senator Fumo on one side and me on the other side, and I think Christopher was put in a pretty tough position. I want to say the same for Fran Cleaver from my staff, who put in a tremendous amount of hours, and I must say that both Fran and Chris have much better social skills than Senator Fumo would like to give them credit for. But, they did do a phenomenal job together. In fact, at one point it was almost like they were being held hostage, and they really did start to like one another, because we kept them cooped up in a room together so much, and they ended up working back and forth so well.

As I said earlier, this was not only a bipartisan effort, but we worked very closely with the Members of the House, and I want to reiterate that George Bedwick did a tremendous amount of work from Representative Veon's office, and so did the staff from Representative DeWeese's office and Speaker Perzel's office. It was a lot of negotiations, and I would like to say, Vince and I do not agree on many things and we did not agree earlier, but it was amazing how, when you do put people with a difference of opinion in a room and you really start to talk, at how much you find that you do agree on things and can work things out, so I think we did come to a pretty good compromise. I do not think that we skimmed at all on any of the provisions that we put into this bill to make sure that this is a good, clean bill for Pennsylvania, that we do have the proper law enforcement procedures in here, that we are going to make sure that this is a clean operation, and that the background checks and law enforcement will make sure that these operations are run cleanly. Many of these people are public companies, they are corporations and businesses that just cannot afford to operate poorly.

So, I just want to thank Senator Fumo again for his cooperation and for Senator Conti on our side, and you know, I know that there are strong feelings on both sides of this, and I recognize the people who oppose me on this have very, very deep rooted feelings, but there just is no prohibition on gambling. I mean, you cannot prohibit it. It is in Atlantic City. Prohibition does not work, controls do. I know that I had to compromise from my original proposal of four tracks to six tracks to eight tracks, but by doing that, I think we created even more good through the economic and tourism fund and through greater purses for the horsemen. So, I think that the balance again, as Senator Fumo said, the balance comes down on a positive for the people of Pennsylvania. We are not making these people go to these places, and as I said earlier, I am only legislating the obvious. The people in Pennsylvania have decided to gamble in big numbers, and they do, and they all told us in the polls that they approve of this. We had two gubernatorial candidates, both Republican and Democrat, running in the last gubernatorial campaign, campaigning on slot machines at racetracks.

So with that, I want to thank the people who worked with me on both sides of the aisle, and I ask for an affirmative vote.

Thank you very much, Madam President.

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

Senator RHOADES. Madam President, tonight I think Pennsylvania's economy and homeowners are the winners. Pennsylvania's economy wins because the Commonwealth will finally recapture the \$3 billion spent annually by Pennsylvanians in other States where slot machine gaming is permitted. Pennsylvania's construction industry wins to the thousands of jobs that will be created to expand the racetracks, build the resorts, and the other slot locations. Pennsylvania's horse breeders, jockeys, and other related track workers win because the bill will double the number of track-related jobs over 2 years. In fact, this bill will revitalize the horseracing industry throughout the Commonwealth, thereby saving 6,800 jobs and create an additional 6,800 jobs in the horseracing industry alone, when all eight racetracks are fully operational. Pennsylvania communities win by expanded entertainment opportunities that will, in turn, result in new parking, concession, and related services and support jobs. The overall economic impact is expected to be 42,000 new jobs and \$5.7 million of new spending into our economy. Pennsylvania homeowners in southeastern Pennsylvania who pay the Philadelphia wage tax win by lower property and wage tax rates year after year. And as a result of these tax reductions, as you heard, another billion dollars will be available to be spent by Pennsylvania consumers, again further improving the economy in the Commonwealth.

With that all being said, I think there are pluses in and of it itself. But I stand here with another reason to be able to support this bill. About 4 weeks to 6 weeks ago, I sent out my constituent survey. It went out to my district, which includes Schuylkill County, Carbon County, Berks County, Lehigh County, Northampton County, Monroe County. I have six counties that I have gone through, and there were four questions that I asked on the survey. You will hear me address the other three before we recess. But the first one was gaming: "Expanding legalized gambling in Pennsylvania has recently been viewed as a way to generate revenues needed to reduce local property taxes. Most attention has been focused on authorizing slot machines at eight horse racetracks and as many as four offsite tracks," well, I think we are up to six, so we are right within the number. So the question was asked to the constituents, and I will tell you what, I got close to 12,000 responses with this survey, and in the process too, since we do not have franking privileges, and I say this is important, the constituents had to put 37 cent stamps on the survey and send it back. So you know they wanted to react to this, and with all the things we have said here tonight pro and con, I think the most important thing is that the people responded and represent what I consider a typical senatorial district. The question was, "Would you support the expansion of gambling in Pennsylvania if the money is used to reduce local real estate taxes?" And that is primarily where I am coming down. Seventy-seven percent said yes, I support the expansion of gaming; 23 percent, no, I do not support the expansion of gambling. If you answered "yes" to question 1, which of the following will you support? You may check more than one. First one was slot machines at horse racetracks. Number one, with over 6,000 responded. Offtrack slot machine parlors, over 4,500 responses to them. Remember, they could hit 1, 2, 3 or 4. Third place was video poker in taverns, fire companies, Elks, and the rest. I had to get that in, that is my baby. The Members all know that. That

was slightly over 4,300, and I was going to offer that amendment tonight, but I saw the handwriting on the wall, as I did for the other amendments. The only thing I have been told is that the Governor, through either executive order or decision can do it, and I hope he does do that, because I think our taverns, our restaurants, fire companies, Elks, and nonprofit fraternal organizations need that opportunity. That, as I said, was close to 4,400, and the Indian casinos were around 2,800. Well, close to 2,900.

I bring that up because to me what is important about the survey is saying this is what the people of Pennsylvania, more specifically the people in my district, are asking for. They are asking me and telling me, and I am going to tell you what, when I saw 77 percent, that kind of took me aback. I thought it might have been a little more 50 percent, 55 percent. Those were numbers I saw before. But when I saw 77 percent, and I can draw the correlation between the responses, what we have are saying, yes, we want gaming in the Commonwealth, and I want to use it to reduce my property tax, that tells me as their representative, if we believe in representative government, that this is the action we should be taking, and that is why I will be supporting and ask you to support the Tomlinson amendment for gaming at our racetracks in the Commonwealth of Pennsylvania.

Thank you, Madam President.

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

Senator FERLO. Madam President, House Bill No. 2330 is the way to go for jobs and income and significant green dough. Please be adult, be prudent, play fair, and in good fun, and you will get up each morning always facing the sun. Throughout Pennsylvania our Commonwealth will grow with benefits to seniors, cities, and towns that can glow. After a lot of thought and careful deliberation, I am pleased to vote "yes" without trial or tribulation.

Thank you.

And the question recurring,

Will the Senate agree to amendment A3055, as amended?

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

YEA-30

Boscola	Kasunic	Pileggi	Tomlinson
Conti	Kitchen	Pippy	Wagner
Costa	Kukovich	Rhoades	White, Donald
Earl	LaValle	Scarnati	Williams, Anthony H.
Erickson	Logan	Schwartz	Williams, Constance
Ferlo	Mellow	Stack	Wozniak
Fumo	Musto	Stout	
Hughes	O'Pake	Tartaglione	

NAY-20

Armstrong	Greenleaf	Orie	Thompson
Brightbill	Jubelirer	Piccola	Waugh
Corman	Lemmond	Punt	Wenger
Dent	Madigan	Rafferty	White, Mary Jo
Gordner	Mowery	Robbins	Wonderling

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

The PRESIDENT. House Bill No. 2330 will go over as amended.

DISCHARGE PETITION

The PRESIDENT laid before the Senate the following communication, which were read by the Clerk as follows:

July 1, 2004

A PETITION

To place before the Senate the nomination of Leonard N. Zito, Esquire, as Judge, Court of Common Pleas, Northampton County.

TO: The Presiding Officer of the Senate:

WE, The undersigned members of the Senate, pursuant to section 8 (b) of Article IV of the Constitution of Pennsylvania, do hereby request that you place the nomination of Leonard N. Zito, Esquire, Bangor, Pennsylvania, as Judge, Court of Common Pleas, Northampton County, before the entire Senate body for a vote, the nomination not having been voted upon within 15 legislative days:

Robert D. Robbins
David J. Brightbill
Jeffrey E. Piccola
Noah W. Wenger
Robert C. Jubelirer

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

EXECUTIVE NOMINATION

EXECUTIVE SESSION

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

Which was agreed to by voice vote.

NOMINATION TAKEN FROM THE TABLE

Senator ROBBINS. Madam President, I call from the table a certain nomination and ask for its consideration.

The Clerk read the nomination as follows:

**JUDGE, COURT OF COMMON PLEAS,
NORTHAMPTON COUNTY**

April 2, 2004

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, Leonard N. Zito, Esquire, 641 Market Street, Bangor 18013, Northampton County, Eighteenth Senatorial District, for appointment as Judge of the Court of Common Pleas of Northampton County, to serve until the first Monday of January 2006, vice The Honorable Jack Panella, resigned.

EDWARD G. RENDELL
Governor

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

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

Senator BRIGHTBILL. Madam President, I want to make as part of the record a document, a letter dated July 1, 2004. It happens to be addressed to me. It says, "Dear Senator Brightbill, For the purpose of clarification, please let me state that I will not be a candidate for Judge in Northampton County," and it is signed, Leonard Zito. I would like to actually make the original of this part of our record.

The PRESIDENT. Without objection, that will be made part of the record.

(The following letter was made a part of the record at the request of the gentleman from Lebanon, Senator BRIGHTBILL.)

July 1, 2004

Dear Senator Brightbill:

For the purpose of clarification, please let me state that I will not be a candidate for Judge in Northampton County.

LEONARD N. ZITO

And the question recurring,
Will the Senate advise and consent to the nomination?

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

YEA-48

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

NAY-2

Gordner Rhoades

A constitutional two-thirds 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.

CONSIDERATION OF CALENDAR RESUMED**SECOND CONSIDERATION CALENDAR****BILLS OUT OF ORDER**

Without objection, the bills on today's Calendar were called out of order by Senator BRIGHTBILL, as Special Orders of Business.

**PREFERRED APPROPRIATION BILL
ON SECOND CONSIDERATION**

HB 2521 (Pr. No. 4192) -- The Senate proceeded to consideration of the bill, entitled:

An Act making an appropriation from a restricted revenue account within the General Fund and from Federal augmentation funds to the Pennsylvania Public Utility Commission.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 946 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILL REREFERRED

HB 994 (Pr. No. 3497) -- The Senate proceeded to consideration of the bill, entitled:

An Act empowering municipalities, counties and public transportation agencies to work cooperatively to establish Transit Revitalization Investment Districts (TRID), including partnerships with the National Railroad Passenger Corporation requiring planning studies, comprehensive plan and zoning amendments and use of existing statutes and techniques to achieve transit-oriented development, redevelopment, community revitalization and enhanced community character through TRID creation; establishing value capture areas as a means to reserve and use future, designated incremental tax revenues for public transportation capital improvements, related site development improvements and maintenance; promoting the involvement of and partnerships with the private sector in TRID development and implementation; encouraging public involvement during TRID planning and implementation; and providing for duties of 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.

BILL OVER IN ORDER

SB 1027 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILL ON SECOND CONSIDERATION

HB 1039 (Pr. No. 4230) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, providing for Medicaid managed care organization assessments, for intermediate care facilities for the mentally retarded persons assessments, for administration of assessments by the Department of Public Welfare, for enforcement and for a report on certain pharmaceutical programs.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 1111 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILL REREFERRED

SB 1112 (Pr. No. 1605) -- The Senate proceeded to consideration of the bill, entitled:

An Act establishing the Board of Directors of the Rouse Estate; and making repeals.

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

BILL OVER IN ORDER

SB 1140 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

**BILL ON SECOND CONSIDERATION
AND REREFERRED**

SB 1149 (Pr. No. 1675) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 22, 2000 (P.L.394, No.54), known as the Tobacco Settlement Agreement Act, further providing for requirements.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.

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

BILL OVER IN ORDER

SB 1161 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

**BILLS ON SECOND CONSIDERATION
AND REREFERRED**

SB 1190 (Pr. No. 1769) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, extending the employment incentive tax credit.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.

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

SB 1192 (Pr. No. 1770) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, further providing for investment of moneys of the Commonwealth; and making a related repeal.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.

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

BILLS LAID ON THE TABLE

HB 1329 (Pr. No. 4030) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 68 (Real and Personal Property) of the Pennsylvania Consolidated Statutes, amending provisions relating to planned communities.

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

HB 1330 (Pr. No. 4031) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 68 (Real and Personal Property) of the Pennsylvania Consolidated Statutes, further providing for real estate cooperatives.

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

HB 1331 (Pr. No. 4032) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 68 (Real and Personal Property) of the Pennsylvania Consolidated Statutes, further providing for condominiums.

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

BILLS OVER IN ORDER

HB 1860, HB 1861, HB 2230 and HB 2288 -- Without objection, the bills were passed over in their order at the request of Senator BRIGHTBILL.

BILLS ON SECOND CONSIDERATION AND REREFERRED

HB 2472 (Pr. No. 3626) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, adding and amending definitions; and further providing for borrowing limitations, for bond terms and conditions, for the Capital Debt Fund, for registration of bonds, for appropriation for and limitation on redevelopment assistance capital projects and for funding and administration of redevelopment assistance capital projects.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.

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

HB 2726 (Pr. No. 4113) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 14, 1961 (P.L.324, No.188), known as The Library Code, providing for fiscal year waiver of standards.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.

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

HB 2758 (Pr. No. 4224) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, providing for fire company reduction and closure provisions for cities of the first class.

Considered the second time and agreed to,
Ordered, To be printed for third consideration.

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

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 1

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 2330 (Pr. No. 4272) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, authorizing certain racetrack and other gaming; providing for regulation of gaming licensees; establishing and providing for the powers and duties of the Pennsylvania Gaming Control Board; conferring powers and imposing duties on the Department of Revenue, the Department of Health, the Office of Attorney General, the Pennsylvania State Police and the Pennsylvania Liquor Control Board; establishing

the State Gaming Fund, the Pennsylvania Race Horse Development Fund, the Pennsylvania Gaming Economic Development and Tourism Fund, the compulsive Problem Gambling Treatment Fund and the Property Tax Relief Fund; providing for enforcement; imposing penalties; making appropriations; and making related repeals.

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-30

Boscola	Kasunic	Pileggi	Tomlinson
Conti	Kitchen	Pippy	Wagner
Costa	Kukovich	Rhoades	White, Donald
Earll	LaValle	Scarnati	Williams, Anthony H.
Erickson	Logan	Schwartz	Williams, Constance
Ferlo	Mellow	Stack	Wozniak
Fumo	Musto	Stout	
Hughes	O'Pake	Tartaglione	

NAY-20

Armstrong	Greenleaf	Orie	Thompson
Brightbill	Jubelirer	Piccola	Waugh
Corman	Lemmond	Punt	Wenger
Dent	Madigan	Rafferty	White, Mary Jo
Gordner	Mowery	Robbins	Wonderling

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.

RECESS

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

Senator BRIGHTBILL. Madam President, I move that the Senate do now recess to the call of the President pro tempore.

For the information of the Members, we would not be back on the floor until 2 o'clock p.m. today.

The PRESIDENT. The Senate will now recess to the call of the President pro tempore.

AFTER RECESS

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

CONSIDERATION OF CALENDAR RESUMED

THIRD CONSIDERATION CALENDAR

BILL REREPORTED FROM COMMITTEE AS AMENDED OVER IN ORDER

HB 2654 -- Without objection, the bill was passed over in its order at the request of Senator BRIGHTBILL.

BILLS OVER IN ORDER

SB 1096, SB 1097, HB 1117, SB 1147, SB 1158, SB 1186, HB 1487, HB 1912, HB 2105, HB 2351, HB 2405 and HB 2467 -- Without objection, the bills were passed over in their order at the request of Senator BRIGHTBILL.

SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Consent has been given for the Committee on Finance to meet in the Rules room to consider House Bills No. 1321 and 1285.

ANNOUNCEMENT BY MAJORITY LEADER

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

Senator BRIGHTBILL. Madam President, the chairman of the Committee on Finance, as I understand it, is ready to proceed with her meeting. If the Members would proceed back to the Rules room, she can begin promptly.

The PRESIDENT. Would all Members of the Committee on Finance please proceed to the Rules room immediately for a meeting.

DISCHARGE PETITION

The PRESIDENT laid before the Senate the following communication, which were read by the Clerk as follows:

July 1, 2004

A PETITION

To place before the Senate the nomination of Michael Ayes, D.D.S. as a member of the State Board of Dentistry.

TO: The Presiding Officer of the Senate:

WE, The undersigned members of the Senate, pursuant to section 8 (b) of Article IV of the Constitution of Pennsylvania, do hereby request that you place the nomination of Michael Ayes, D.D.S., Bala Cynwyd, Pennsylvania, as a member of the State Board of Dentistry, before the entire Senate body for a vote, the nomination not having been voted upon within 15 legislative days:

Robert D. Robbins
David J. Brightbill
Jeffrey E. Piccola
Noah W. Wenger
Robert C. Jubelirer

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

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 Mark A. Dewey by Senator Armstrong.

Congratulations of the Senate were extended to Steven Bagnull, Brian Frank and to Timothy Allen Pantano by Senator Conti.

Congratulations of the Senate were extended to Clair H. Kerstetter by Senator Corman.

Congratulations of the Senate were extended to Zachary James Carroll by Senator Ferlo.

Congratulations of the Senate were extended to Mr. and Mrs. Lester R. Belles, Mr. and Mrs. Richard Casey and to Joshua A. Fraley by Senator Gordner.

Congratulations of the Senate were extended to Christa Rusher, Samantha Hunt and to Erin Green by Senator Kukovich.

Congratulations of the Senate were extended to the citizens of the Borough of Ellport by Senator LaValle.

Congratulations of the Senate were extended to Patrick Michael Maranuk, Glen C. Howey and to the Registers of Wills and Clerk of Orphans' Court Association of Pennsylvania by Senator Mellow.

Congratulations of the Senate were extended to Teleta Nevius by Senator Mowery.

Congratulations of the Senate were extended to the sponsors and volunteers of CowParade Harrisburg 2004 by Senator Piccola.

Congratulations of the Senate were extended to Mr. and Mrs. Charles E. Kramaric by Senator Pileggi.

Congratulations of the Senate were extended to Catherine Elizabeth Palmer by Senator Punt.

Congratulations of the Senate were extended to Tamaqua SOS, Save Our Station, by Senator Rhoades.

Congratulations of the Senate were extended to the Neshannock High School Baseball Team and to the Wheatland Tube Company by Senator Robbins.

Congratulations of the Senate were extended to Vincent Thomas Lowry by Senator Tartaglione.

Congratulations of the Senate were extended to Clean and Sober Humans Association, Inc., of McKees Rocks, by Senator Wagner.

Congratulations of the Senate were extended to Nadine D. Stoltzfus by Senator Wenger.

Congratulations of the Senate were extended to Mr. and Mrs. J. Donald Lucia, Gloria Hillberry and to Eric Iacovino by Senator D. White.

Congratulations of the Senate were extended to the Ebenezer Methodist Church of Norristown by Senator C. Williams.

Congratulations of the Senate were extended to David M. Guth by Senator Wonderling.

Congratulations of the Senate were extended to Albert G. Reynolds and to Jason Ross 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 Janet Marie Harris by Senator Lemmond.

Condolences of the Senate were extended to the family of the late Thomas B. Coleman, to the family of the late Martin H. Plummer and to the family of the late Ronald G. Vitali by Senator Orié.

Condolences of the Senate were extended to the family of the late Honorable Jay Allen Young by Senator D. White.

HOUSE MESSAGE

SENATE BILL RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate **SB 892**, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT. Pursuant to Senate Rule XIV, section 5, this bill will be referred to the Committee on Rules and Executive Nominations.

BILLS SIGNED

The PRESIDENT (Lieutenant Governor Catherine Baker Knoll) in the presence of the Senate signed the following bills:

HB 1965, HB 2081 and HB 2512.

BILLS REPORTED FROM COMMITTEES

Senator DENT, from the Committee on Urban Affairs and Housing, reported the following bill:

SB 1189 (Pr. No. 1788) (Amended)

An Act providing for dispute resolution procedures relating to residential construction defects between contractors and homeowners or members of associations; and prescribing penalties.

Senator EARLL, from the Committee on Finance, reported the following bills:

HB 1285 (Pr No. 2819)

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further defining "income" for purposes of the personal income tax; and further providing for refund or credit of overpayment.

HB 1321 (Pr. No. 4283) (Amended)

An Act providing for economic development districts in cities of the first class; imposing penalties; and conferring powers and duties on the Department of Community and Economic Development and the Department of Revenue.

BILLS ON FIRST CONSIDERATION

Senator BRIGHTBILL. 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 1189, HB 1285 and HB 1321.

And said bills having been considered for the first time, Ordered, To be printed on the Calendar for second consideration.

ANNOUNCEMENTS BY THE SECRETARY

The following announcements were read by the Secretary of the Senate:

SENATE OF PENNSYLVANIA

COMMITTEE MEETINGS

FRIDAY, JULY 2, 2004

Off the Floor	APPROPRIATIONS (to consider Senate Bills No. 1149, 1190 and 1192; and House Bills No. 176, 1152, 2472, 2529, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2639, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2590 and 2726)	Rules Com. Conf. Room
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Off the Floor	RULES AND EXECUTIVE NOMINATIONS (to consider Senate Bills No. 92, 100 and 769 and certain executive nominations)	Rules Com. Conf. Room
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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 Friday, July 2, 2004, at 8:45 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.