
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2693 Session of
2006

INTRODUCED BY BENNINGHOFF, ARGALL, ARMSTRONG, BALDWIN, BOYD,
CLYMER, CRAHALLA, DENLINGER, GILLESPIE, GINGRICH, HARPER,
HARRIS, HENNESSEY, HUTCHINSON, KAUFFMAN, LEH, MACKERETH,
MARSICO, McILHATTAN, R. MILLER, S. MILLER, PAYNE, RUBLEY,
SATHER, SAYLOR, R. STEVENSON, E. Z. TAYLOR, TRUE, TURZAI,
WILT, REICHLEY, SCAVELLO, STERN, METCALFE, GEIST AND
CREIGHTON, MAY 25, 2006

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,
MAY 25, 2006

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, further providing for slot machine license fee and
3 for Category 3 slot machine license.

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

6 Section 1. Sections 1209(a) and (f) and 1305(d) of Title 4
7 of the Pennsylvania Consolidated Statutes are amended to read:

8 § 1209. Slot machine license fee.

9 (a) Imposition.--Except as provided for a Category 3
10 licensed gaming entity under section 1305 (relating to Category
11 3 slot machine license) and subject to the requirements of this
12 section, at the time of license issuance the board shall impose
13 a one-time slot machine license fee to be paid by each
14 successful applicant in the amount of [\$50,000,000] \$200,000,000
15 for each category of slot machine license.

* * *

(f) Return of slot machine license fee.--

(1) The entire one-time slot machine license fee of [\$50,000,000] \$200,000,000 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 or voting powers of 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.

(2) In the event that this part is amended or otherwise altered by an act of the General Assembly as described pursuant to paragraph (1):

(i) In the sixth year following the initial issuance of any 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] \$166,666,668.

(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] \$133,333,336.

(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] \$100,000,000.

(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] \$66,666,672.

(v) In the tenth year, the licensee shall be entitled to a partial return of the one-time machine license fee in the amount of [\$8,333,334] \$33,333,336.

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

1 set forth in this subsection for any licensee. The total or
2 partial return of the slot machine license fee shall extinguish
3 a licensee's right to claim any further tax credits pursuant to
4 subsection (c).

5 § 1305. Category 3 slot machine license.

6 * * *

7 (d) Category 3 license fee.--Notwithstanding the one-time
8 slot machine license fee as set forth in section 1209 (relating
9 to slot machine license fee), the board shall impose a one-time
10 Category 3 license fee to be paid by each successful applicant
11 in an amount of [\$5,000,000] \$20,000,000. The provisions of
12 section 1209 relating to term, credit against tax for slot
13 machine licensees, deposit of license fee and change of
14 ownership or control of a license shall be applicable to a
15 Category 3 license fee.

16 * * *

17 Section 2. This act shall take effect immediately.