

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 326 Session of 2009

INTRODUCED BY MILLER, BAKER, BEAR, BOYD, FAIRCHILD, FLECK,
GEIST, GINGRICH, GROVE, GRUCELA, HENNESSEY, HESS, MILLARD,
PICKETT, RAPP, REICHLEY, SCAVELLO, STERN, STEVENSON AND
SWANGER, FEBRUARY 10, 2009

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 10, 2009

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, further providing for establishment of State Gaming
3 Fund and net slot machine revenue distribution and for
4 transfers from State Gaming Fund.

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

7 Section 1. Section 1403 of Title 4 of the Pennsylvania
8 Consolidated Statutes is amended to read:

9 § 1403. Establishment of State Gaming Fund and net slot machine
10 revenue distribution.

11 (a) Fund established.--There is hereby established the State
12 Gaming Fund within the State Treasury.

13 (b) Slot machine tax.--The department shall determine and
14 each slot machine licensee shall pay a daily tax of 34% from its
15 daily gross terminal revenue from the slot machines in operation
16 at its facility and a local share assessment as provided in
17 subsection (c) into the fund. All funds owed to the Commonwealth
18 or a municipality under this section shall be held in trust by

1 the licensed gaming entity until the funds are paid or
2 transferred and distributed. Unless otherwise agreed to by the
3 Gaming Board, a licensed gaming entity shall establish a
4 separate bank account to maintain gaming proceeds until such
5 time as they are paid or transferred under this section.

6 (c) Transfers and distributions.--[The] Subject to the
7 provisions of subsection (e), the department shall:

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

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

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

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

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

28 (C) A county of the second class A: 1% of the
29 gross terminal revenue to the county hosting the
30 licensed facility from each such licensed facility.

1 An additional 1% of the gross terminal revenue to the
2 county hosting the licensed facility from each such
3 licensed facility for the purpose of municipal grants
4 within the county in which the licensee is located.

5 (D) (I) A county of the third class: Except as
6 provided in subclause (II), 2% of the gross
7 terminal revenue from each such licensed facility
8 shall be deposited into a restricted account
9 established in the Department of Community and
10 Economic Development to be used exclusively for
11 grants for health, safety and economic
12 development projects to municipalities within the
13 county where the licensed facility is located.
14 Municipalities that are contiguous to the
15 municipality hosting such licensed facility shall
16 be given priority by the Department of Community
17 and Economic Development in the award of such
18 grants.

19 (II) If a licensed facility is located in
20 one of two counties of the third class where a
21 city of the third class is located in both
22 counties of the third class, the county in which
23 the licensed facility is located shall receive
24 1.2% of the gross terminal revenue to be
25 distributed as follows: 20% to the host city,
26 30% to the host county and 50% to the host county
27 for the purpose of making municipal grants within
28 the county, with priority given to municipalities
29 contiguous to the host city. The county of the
30 third class, which includes a city of the third

1 class that is located in two counties of the
2 third class and is not the host county for the
3 licensed facility, shall receive .8% of the gross
4 terminal revenue to be distributed as follows:
5 60% to a nonhost city of the third class located
6 solely in the nonhost county in which the host
7 city of the third class is also located or 60% to
8 the nonhost city of the third class located both
9 in the host and nonhost counties of the third
10 class, 35% to the nonhost county and 5% to the
11 nonhost county for the purpose of making
12 municipal grants within the county.

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

29 (F) Counties of the fifth through eighth
30 classes: 2% of the gross terminal revenue from each

1 such licensed facility shall be deposited into a
2 restricted account established in the Department of
3 Community and Economic Development to be used
4 exclusively for grants to the county.

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

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

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

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

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

30 (D) A county of the third class: 1% of the

1 gross terminal revenue to the county hosting the
2 licensed facility from each such licensed facility.
3 An additional 1% of the gross terminal revenue to the
4 county hosting the licensed facility from each such
5 licensed facility for the purpose of municipal grants
6 within the county in which the licensee is located.

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

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

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

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

4 (A) A county of the first class: 4% of the
5 gross terminal revenue to the county hosting the
6 licensed facility from each such licensed facility.
7 Notwithstanding any other provision to the contrary,
8 funds from licensed gaming entities located within a
9 county of the first class shall not be distributed
10 outside of a county of the first class. The first
11 \$5,000,000 of the total amount distributed annually
12 to the county of the first class shall be distributed
13 to the Philadelphia School District.

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

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

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

1 (D.1) If a licensed facility is located in one
2 of two counties of the third class where a city of
3 the third class is located in both counties of the
4 third class, the county in which the licensed
5 facility is located shall receive 1.2% of the gross
6 terminal revenue to be distributed as follows: 20%
7 to the host city, 30% to the host county and 50% to
8 the host county for the purpose of making municipal
9 grants within the county, with priority given to
10 municipalities contiguous to the host city. The
11 county of the third class, which includes a city of
12 the third class that is located in two counties of
13 the third class and is not the host county for the
14 licensed facility, shall receive .8% of the gross
15 terminal revenue to be distributed as follows: 60%
16 to a nonhost city of the third class located solely
17 in the nonhost county in which the host city of the
18 third class is also located or 60% to the nonhost
19 city of the third class located both in the host and
20 nonhost counties of the third class, 35% to the
21 nonhost county and 5% to the nonhost county for the
22 purpose of making municipal grants within the county.

23 (E) A county of the fourth class: 2% of the
24 gross terminal revenue from each such licensed
25 facility shall be deposited into a restricted account
26 established in the Department of Community and
27 Economic Development to be used exclusively for
28 grants to the county, to economic development
29 authorities or redevelopment authorities within the
30 county for grants for economic development projects,

1 community improvement projects, job training, other
2 projects in the public interest and reasonable
3 administrative costs. Notwithstanding the Capital
4 Facilities Debt Enabling Act, grants made under this
5 clause may be utilized as local matching funds for
6 other grants or loans from the Commonwealth.

7 (F) Counties of the fifth class: 2% of the
8 gross terminal revenue from each such licensed
9 facility shall be deposited and distributed as
10 follows:

11 (I) One percent shall be deposited into a
12 restricted receipts account in the Department of
13 Community and Economic Development to be used
14 exclusively for grants within the county for
15 economic development projects, community
16 improvement projects and other projects in the
17 public interest within the county. The amount
18 under this subclause includes reasonable
19 administrative costs.

20 (II) One percent shall be deposited into a
21 restricted receipts account in the Department of
22 Community and Economic Development to be used
23 exclusively for grants within contiguous counties
24 for economic development projects, community
25 improvement projects and other projects in the
26 public interest within contiguous counties. The
27 amount under this subclause includes reasonable
28 administrative costs.

29 (III) Fifty percent of any revenue required
30 to be transferred under paragraph (3) (v) shall be

1 deposited into the restricted receipts account
2 established under subclause (I), and 50% shall be
3 deposited into the restricted receipt account
4 established under subclause (II). Notwithstanding
5 the Capital Facilities Debt Enabling Act, grants
6 made under this clause may be utilized as local
7 matching funds for other grants or loans from the
8 Commonwealth.

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

13 (iv) If the facility is a Category 3 licensed
14 facility, 2% of the gross terminal revenue from each such
15 licensed facility shall be deposited into a restricted
16 account established in the Department of Community and
17 Economic Development to be used exclusively for grants to
18 the county, to economic development authorities or
19 redevelopment authorities within the county for grants
20 for economic development projects and community
21 improvement projects.

22 (v) Unless otherwise specified, for the purposes of
23 this paragraph money designated for municipal grants
24 within a county, other than a county of the first class,
25 in which a licensed facility is located shall be used to
26 fund grants to the municipality in which the licensed
27 facility is located, to the county in which the licensed
28 facility is located and to the municipalities which are
29 contiguous to the municipality in which the licensed
30 facility is located and which are located within the

1 county in which the licensed facility is located. Grants
2 shall be administered by the county through its economic
3 development or redevelopment authority in which the
4 licensed facility is located. Grants shall be used to
5 fund the costs of human services, infrastructure
6 improvements, facilities, emergency services, health and
7 public safety expenses associated with licensed facility
8 operations. If at the end of a fiscal year uncommitted
9 funds exist, the county shall pay to the economic
10 development or redevelopment authority of the county in
11 which the licensed facility is located the uncommitted
12 funds.

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

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

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

1 (ix) Nothing in this paragraph shall prevent any of
2 the above counties which directly receive a distribution
3 under this section from entering into intergovernmental
4 cooperative agreements with other jurisdictions for
5 sharing this money.

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

10 (i) To a city of the second class hosting a licensed
11 facility, other than a Category 3 licensed facility, 2%
12 of the gross terminal revenue or \$10,000,000 annually,
13 whichever is greater, shall be paid by each licensed
14 gaming entity operating a facility located in that city.
15 In the event that the revenues generated by the 2% do not
16 meet the \$10,000,000 minimum specified in this
17 subparagraph, the department shall collect the remainder
18 of the minimum amount of \$10,000,000 from each licensed
19 gaming entity operating a facility in the city and
20 deposit that amount in the city treasury.

21 (ii) To a city of the second class A hosting a
22 licensed facility, other than a Category 3 licensed
23 facility, 2% of the gross terminal revenue or \$10,000,000
24 annually, whichever is greater, shall be paid by each
25 licensed entity operating a licensed facility located in
26 that city, subject, however, to the budgetary limitation
27 in this subparagraph. The amount allocated to the
28 designated municipalities shall not exceed 50% of their
29 total budget for fiscal year 2003-2004, adjusted for
30 inflation in subsequent years by an amount not to exceed

1 an annual cost-of-living adjustment calculated by
2 applying the percentage change in the Consumer Price
3 Index immediately prior to the date the adjustment is due
4 to take effect. Any remaining moneys shall be collected
5 by the department from each licensed gaming entity and
6 distributed in accordance with paragraph (2) based upon
7 the classification of county where the licensed facility
8 is located. In the event that the revenues generated by
9 the 2% do not meet the \$10,000,000 minimum specified in
10 this subparagraph, the department shall collect the
11 remainder of the minimum amount of \$10,000,000 from each
12 licensed gaming entity operating a facility in the city,
13 pay any balance due to the city and transfer any
14 remainder in accordance with paragraph (2).

15 (iii) To a city of the third class hosting a
16 licensed facility, other than a Category 3 licensed
17 facility, 2% of the gross terminal revenue or \$10,000,000
18 annually, whichever is greater, shall be paid by each
19 licensed gaming entity operating a licensed facility
20 located in that city, subject, however, to the budgetary
21 limitation in this subparagraph. In the event that the
22 city has a written agreement with a licensed gaming
23 entity executed prior to the effective date of this part,
24 the amount paid under the agreement to the city shall be
25 applied and credited to the difference between 2% of the
26 gross terminal revenue and the \$10,000,000 owed under
27 this subparagraph if the 2% of the gross terminal revenue
28 is less than \$10,000,000. If 2% of the gross terminal
29 revenue is greater than the \$10,000,000 required to be
30 paid under this subparagraph, the credit shall not apply.

1 The amount of gross terminal revenue required to be paid
2 pursuant to the agreement shall be deemed to be gross
3 terminal revenue for purposes of this subparagraph. The
4 amount allocated to the designated municipalities shall
5 not exceed 50% of their total budget for fiscal year
6 2003-2004, adjusted for inflation in subsequent years by
7 an amount not to exceed an annual cost-of-living
8 adjustment calculated by applying the percentage change
9 in the Consumer Price Index immediately prior to the date
10 the adjustment is due to take effect. Any remaining
11 moneys shall be collected by the department from each
12 licensed gaming entity and distributed in accordance with
13 paragraph (2) based upon the classification of county
14 where the licensed facility is located. In the event that
15 the revenues generated by the 2% do not meet the
16 \$10,000,000 minimum specified in this subparagraph, the
17 department shall collect the remainder of the minimum
18 amount of \$10,000,000 from each licensed gaming entity
19 operating a facility, pay any balance due to the city of
20 the third class and transfer any remainder in accordance
21 with paragraph (2).

22 (iii.1) If a licensed facility is located in a city
23 of the third class and the city is located in more than
24 one county of the third class, 2% of the gross terminal
25 revenue or \$10,000,000 annually, whichever is greater,
26 shall be distributed as follows: 80% to the host city
27 and 20% to the city of the third class located solely in
28 a nonhost county in which the host city of the third
29 class is also located. If a licensed facility is located
30 in a city of the third class and that city is located

1 solely in a host county of the third class in which a
2 nonhost city of the third class is also located, 2% of
3 gross terminal revenue or \$10,000,000 annually, whichever
4 is greater, shall be distributed as follows: 80% to the
5 host city and 20% to a city of the third class located
6 both in a nonhost county of the third class and in a host
7 county of the third class in which the host city of the
8 third class is located.

9 (iv) To a township of the first class hosting a
10 licensed facility, other than a Category 3 licensed
11 facility, 2% of the gross terminal revenue or \$10,000,000
12 annually, whichever is greater, shall be paid by each
13 licensed gaming entity operating a licensed facility
14 located in the township subject, however, to the
15 budgetary limitation in this subparagraph. The amount
16 allocated to the designated municipalities shall not
17 exceed 50% of their total budget for fiscal year
18 2003-2004, adjusted for inflation in subsequent years by
19 an amount not to exceed an annual cost-of-living
20 adjustment calculated by applying the percentage change
21 in the Consumer Price Index immediately prior to the date
22 the adjustment is due to take effect. Any remaining money
23 shall be collected by the department from each licensed
24 gaming entity and distributed in accordance with
25 paragraph (2) based upon the classification of county
26 where the licensed facility is located. In the event that
27 the revenues generated by the 2% do not meet the
28 \$10,000,000 minimum specified in this subparagraph, the
29 department shall collect the remainder of the minimum
30 amount of \$10,000,000 from each licensed gaming entity

1 operating a licensed facility in the township, pay any
2 balance due to the township and transfer any remainder in
3 accordance with paragraph (2).

4 (v) To a township of the second class hosting a
5 licensed facility, other than a Category 3 licensed
6 facility, 2% of the gross terminal revenue or \$10,000,000
7 annually, whichever is greater, shall be paid by each
8 licensed gaming entity operating a licensed facility
9 located in the township, subject, however, to the
10 budgetary limitation in this subparagraph. The amount
11 allocated to the designated municipalities shall not
12 exceed 50% of their total budget for fiscal year
13 2003-2004, adjusted for inflation in subsequent years by
14 an amount not to exceed an annual cost-of-living
15 adjustment calculated by applying the percentage change
16 in the Consumer Price Index immediately prior to the date
17 the adjustment is due to take effect. Any remaining money
18 shall be collected by the department from each licensed
19 gaming entity and distributed in accordance with
20 paragraph (2) based upon the classification of county
21 where the licensed facility is located. Where the
22 licensed facility is other than a Category 3 and is
23 located in more than one second class township, the
24 county commissioners of the county of the third class in
25 which the facility is located shall appoint an advisory
26 committee for the purpose of advising the county as to
27 the need for municipal grants for health, safety,
28 transportation and other projects in the public interest
29 to be comprised of two individuals from the host
30 municipality, two from contiguous municipalities within

1 the county of the third class and one from the host
2 county. A county other than a county of the third class
3 in which the licensed facility is located is not required
4 to appoint an advisory committee and may use funds
5 received under this subparagraph for purposes other than
6 municipal grants. In the event that the revenues
7 generated by the 2% do not meet the \$10,000,000 minimum
8 specified in this subparagraph, the department shall
9 collect the remainder of the minimum amount of
10 \$10,000,000 from each licensed gaming entity operating a
11 licensed facility in the township, pay any balance due to
12 the township and transfer any remainder in accordance
13 with paragraph (2).

14 (vi) To a borough hosting a licensed facility, other
15 than a Category 3 licensed facility, 2% of the gross
16 terminal revenue or \$10,000,000 annually, whichever is
17 greater, shall be paid by each licensed gaming entity
18 operating a licensed facility located in that borough,
19 subject, however, to the budgetary limitation in this
20 subparagraph. The amount allocated to the designated
21 municipalities shall not exceed 50% of their total budget
22 for fiscal year 2003-2004, adjusted for inflation in
23 subsequent years by an amount not to exceed an annual
24 cost-of-living adjustment calculated by applying the
25 percentage change in the Consumer Price Index immediately
26 prior to the date the adjustment is due to take effect.
27 Any remaining money shall be collected by the department
28 from each licensed gaming entity and distributed in
29 accordance with paragraph (2) based upon the
30 classification of county where the licensed facility is

1 located. In the event that the revenues generated by the
2 2% do not meet the \$10,000,000 minimum specified in this
3 subparagraph, the department shall collect the remainder
4 of the minimum amount of \$10,000,000 from each licensed
5 gaming entity operating a licensed facility in the
6 borough, pay any balance due to the borough and transfer
7 any remainder in accordance with paragraph (2).

8 (vii) To an incorporated town hosting a licensed
9 facility, other than a Category 3 licensed facility, 2%
10 of the gross terminal revenue or \$10,000,000 annually,
11 whichever is greater, shall be paid by each licensed
12 entity operating a licensed facility located in the town,
13 subject, however, to the budgetary limitation in this
14 subparagraph. The amount allocated to the designated
15 municipalities shall not exceed 50% of their total budget
16 for fiscal year 2003-2004, adjusted for inflation in
17 subsequent years by an amount not to exceed an annual
18 cost-of-living adjustment calculated by applying the
19 percentage change in the Consumer Price Index immediately
20 prior to the date the adjustment is due to take effect.
21 Any remaining money shall be collected by the department
22 from each licensed gaming entity and distributed in
23 accordance with paragraph (2) based upon the
24 classification of county where the licensed facility is
25 located. In the event that the revenues generated by the
26 2% do not meet the \$10,000,000 minimum specified in this
27 subparagraph, the department shall collect the remainder
28 of the minimum amount of \$10,000,000 from each licensed
29 gaming entity operating a licensed facility in the
30 incorporated town, pay any balance due to the town and

transfer any remainder in accordance with paragraph (2).

(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 immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility 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

1 distribution under this paragraph. The distribution it
2 would have otherwise been entitled to under this
3 paragraph shall instead be distributed in accordance with
4 paragraph (2) based upon the county where the licensed
5 facility is located.

6 (xii) The distributions provided in this paragraph
7 shall be based upon municipal classifications in effect
8 on the effective date of this section. For the purposes
9 of this paragraph, any reclassification of municipalities
10 as a result of a Federal decennial census or of a State
11 statute shall not apply to this paragraph.

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

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

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

1 authority to be used:

2 (A) to reduce the debt of the second class city;

3 (B) to increase the level of funding of the
4 municipal pension funds of the second class city; or

5 (C) for any other purposes as determined to be
6 in the best interest of the second class city by such
7 intergovernmental cooperation authority. Such
8 revenues shall not be directed to or under the
9 control of such city of the second class or any
10 coordinator appointed pursuant to the act of July 10,
11 1987 (P.L.246, No.47), known as the Municipalities
12 Financial Recovery Act, for such city of the second
13 class.

14 (d) Consumer Price Index.--For purposes of subsection (c),
15 references to the Consumer Price Index shall mean the Consumer
16 Price Index for All Urban Consumers for the Pennsylvania, New
17 Jersey, Delaware and Maryland area for the most recent 12-month
18 period for which figures have been officially reported by the
19 United States Department of Labor, Bureau of Labor Statistics.

20 (e) Priority transfer for preservation of funding level for
21 State Lottery Fund.--

22 (1) Prior to making any transfer or distribution under
23 this section or section 1408 (relating to transfers from
24 State Gaming Fund), the department shall annually determine
25 the balance in the State Lottery Fund after payment, under
26 section 311 of the act of August 26, 1971 (P.L.351, No.91),
27 known as the State Lottery Law, of lottery prizes and
28 operating expenses of the department relating thereto for the
29 prior fiscal year and shall make the transfer under paragraph
30 (2), if applicable.

1 (2) If such balance is less than the balance from the
2 prior fiscal year determined in the same manner, the
3 department shall transfer an amount equal to the difference
4 between the balances from the State Gaming Fund to the State
5 Lottery Fund.

6 Section 2. Section 1408(e) of Title 4 is amended to read:

7 § 1408. Transfers from State Gaming Fund.

8 * * *

9 (e) Transfer to Property Tax Relief Fund.--[Monthly]
10 Annually, the State Treasurer shall transfer the remaining
11 balance in the State Gaming Fund which is not otherwise
12 transferred under section 1403(e) (relating to establishment of
13 State Gaming Fund and net slot machine revenue distribution) and
14 allocated in subsections (a), (b), (c) and (d) to the Property
15 Tax Relief Fund established in section 1409 (relating to
16 Property Tax Relief Fund).

17 Section 3. This act shall take effect in 60 days.