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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1221 Session of  
2015

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INTRODUCED BY COSTA, FONTANA, SCARNATI, TEPLITZ, VULAKOVICH,  
RESCHENTHALER, BREWSTER, YUDICHAK AND HUGHES, MAY 2, 2016

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
MAY 2, 2016

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AN ACT

1 Amending the act of February 12, 2004 (P.L.73, No.11), entitled  
2 "An act providing for intergovernmental cooperation in cities  
3 of the second class; establishing an intergovernmental  
4 authority; providing for financing, for bankruptcy and for  
5 sovereign immunity; and making an appropriation," in general  
6 provisions, further providing for definitions; in  
7 intergovernmental cooperation authority for cities of the  
8 second class, further providing for governing board, for  
9 powers and duties, for term of existence, for annual report  
10 to be filed and annual audits and providing for distribution  
11 of gaming revenue.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. Section 104 of the act of February 12, 2004  
15 (P.L.73, No.11), known as the Intergovernmental Cooperation  
16 Authority Act for Cities of the Second Class, is amended by  
17 adding a definition to read:

18 Section 104. Definitions.

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

22 \* \* \*

1 "Gaming revenue." The local share assessment collected from  
2 gaming revenue by the Department of Revenue for distribution to  
3 municipalities hosting licensed facilities under 4 Pa.C.S. Ch.  
4 14 (relating to revenues).

5 \* \* \*

6 Section 2. Section 202(d) and (h)(1) of the act are amended  
7 to read:

8 Section 202. Governing board.

9 \* \* \*

10 (d) Meetings.--After the initial organizational meeting, the  
11 board shall meet as frequently as it deems appropriate but at  
12 least once during each quarter of the fiscal year. In addition,  
13 a meeting of the board shall be called by the chairperson if a  
14 request for a meeting is submitted to the chairperson by at  
15 least two members of the board.

16 (d.1) Quorum.--A majority of the board shall constitute a  
17 quorum for the purpose of conducting the business of the board  
18 and for all other purposes. All actions of the board shall be  
19 taken by a majority of the board members present, except as  
20 otherwise specifically noted. The provisions of 65 Pa.C.S. Ch. 7  
21 (relating to open meetings) shall apply to the board.

22 \* \* \*

23 (h) Statutes applying to authority.--

24 (1) The provisions of the following acts shall apply to  
25 the board and executive director of the authority:

26 (i) 65 Pa.C.S. Ch. 7 (relating to open meetings).

27 (ii) The act of [June 21, 1957 (P.L.390, No.212),  
28 referred to] February 14, 2008 (P.L.6, No.3), known as  
29 the Right-to-Know Law.

30 (iii) Except as set forth in paragraph (2), the act

1 of July 19, 1957 (P.L.1017, No.451), known as the State  
2 Adverse Interest Act.

3 (iv) 65 Pa.C.S. Ch. 11 (relating to ethics standards  
4 and financial disclosure).

5 (v) 62 Pa.C.S. (relating to procurement).

6 \* \* \*

7 Section 3. Section 203(b) (4) of the act is amended and the  
8 subsection is amended by adding paragraphs to read:

9 Section 203. Powers and duties.

10 \* \* \*

11 (b) Specific duties.--The authority shall have the powers  
12 and its duties shall be:

13 \* \* \*

14 (4) To make annual signed reports within 120 days after  
15 the close of the assisted city's fiscal year, commencing with  
16 the fiscal year ending December 31, 2003, to the Governor and  
17 the General Assembly describing the city's financial  
18 condition and the authority's progress with respect to  
19 restoring the financial stability of assisted cities and  
20 achieving balanced budgets for assisted cities. [Such reports  
21 shall be] Each report shall:

22 (i) Be filed with the Governor, with the presiding  
23 officers of the Senate and the House of Representatives,  
24 with the chairperson and minority chairperson of the  
25 Appropriations Committee of the Senate and the  
26 chairperson and the minority chairperson of the  
27 Appropriations Committee of the House of Representatives  
28 and with the governing body, mayor and controller of the  
29 assisted city and be publicly available in the assisted  
30 city during normal business hours for public inspection

1 and on the authority's publicly accessible Internet  
2 website, and may be reproduced by any member of the  
3 public at commercial costs of reproduction. [Such report  
4 shall clearly]

5 (ii) Clearly show by consistent category the last  
6 five years of operating revenues and expenditures,  
7 capital expenditures, gross and net indebtedness  
8 transactions, including a schedule of principal and  
9 interest, five-year projections of the assisted city's  
10 operating and capital budgets, and the entire projected  
11 indebtedness transactions, including a schedule of  
12 principal and interest of such indebtedness until any and  
13 all debt has been completely retired. [Such report shall  
14 contain]

15 (iii) Contain a narrative explaining progress of the  
16 assisted city in meeting its annual and five-year  
17 budgetary objectives, an appraisal by the authority of  
18 the progress the assisted city is making to achieve its  
19 goals and an appraisal of the extent to which the  
20 assisted city is making a good faith effort to achieve  
21 its goals. [Such report shall disclose]

22 (iv) Disclose any violations of Federal and State  
23 law that the authority may have discovered. [Such report  
24 shall include]

25 (v) Include as appendixes all historical loans or  
26 other contracts entered into by the assisted city and its  
27 authorities.

28 (vi) Contain detailed accounting on any gaming  
29 revenue that the authority is withholding from an  
30 assisted city, as provided for under 4 Pa.C.S. § 1403(c)

1       (3) (xv) (relating to establishment of State Gaming Fund  
2       and net slot machine revenue distribution), including the  
3       reasons that the revenue is being withheld, the  
4       conditions that the assisted city must meet for the  
5       revenue to be released and the amount of revenue being  
6       withheld.

7       (5) To establish and maintain a publicly accessible  
8       Internet website that contains, but is not limited to, all of  
9       the following:

10       (i) Intergovernmental cooperation agreements under  
11       paragraph (3).

12       (ii) Annual reports required under paragraph (4).

13       (iii) The authority's annually adopted budget under  
14       section 206.

15       (iv) Audits required under section 207.

16       (v) Contracts that the authority has entered into  
17       with third parties.

18       (6) To adopt and publish a records retention policy that  
19       is consistent with the records retention policy of the Office  
20       of Administration as published in Manual 210.9, The  
21       Commonwealth's General Records Retention and Disposition  
22       Schedule, adopted April 4, 2016, and shall annually update  
23       the policy to remain consistent with the Office of  
24       Administration.

25       \* \* \*

26       Section 4. Sections 204 and 207 of the act are amended to  
27 read:

28       Section 204. Term of existence.

29       (a) Length.--The authority shall exist for a term of at  
30 least seven years. If, after seven years, an assisted city has

1 had annual operating budgets and five-year financial plans  
2 approved by the board for at least the three immediately  
3 preceding years, the Secretary of Community and Economic  
4 Development shall certify that the authority is no longer  
5 needed, and the provisions of this chapter will no longer be in  
6 effect 90 days following that certification. Upon termination of  
7 the authority, records and documents of the authority shall be  
8 transferred to the director of finance of the assisted city. The  
9 authority shall submit a final report on its activities and the  
10 city's fiscal condition to the Governor and the General Assembly  
11 within 60 days of its termination.

12 (b) Limitation.--The Secretary of Community and Economic  
13 Development may not certify that authority is no longer  
14 necessary under subsection (a) until oversight is terminated  
15 under the act of July 10, 1987 (P.L.246, No.47), known as the  
16 Municipalities Financial Recovery Act, or June 30, 2019,  
17 whichever is later.

18 (c) Redistribution.--If the authority is terminated under  
19 subsection (a) or (b) and gaming revenue was distributed to and  
20 under the exclusive control of the authority under 4 Pa.C.S. §  
21 1403(c)(3)(xv) (relating to establishment of State Gaming Fund  
22 and net slot machine revenue distribution), the gaming revenue  
23 shall be redistributed to an assisted city to increase the level  
24 of funding to the municipal pension funds of an assisted city.

25 Section 207. Annual report to be filed; annual audits.

26 [The] By December 31 following the end of each fiscal year,  
27 the authority shall file a signed annual report with the  
28 chairperson and the minority chairperson of the Appropriations  
29 Committee of the Senate and chairperson and the minority  
30 chairperson of the Appropriations Committee of the House of

1 Representatives, which shall make provisions for the accounting  
2 of revenues and expenses. The authority shall have its books,  
3 accounts and records audited annually in accordance with  
4 generally accepted auditing standards by an independent auditor  
5 who shall be a certified public accountant, and a copy of his  
6 audit report shall be attached to and be made a part of the  
7 authority's annual report. A concise financial statement shall  
8 be published annually in the Pennsylvania Bulletin.

9 Section 5. The act is amended by adding a section to read:

10 Section 210.1. Distribution of gaming revenue.

11 (a) Authority determination.--Notwithstanding any other  
12 provision of law and not less than 30 days preceding each  
13 scheduled quarterly distribution of gaming revenue under 4  
14 Pa.C.S. 1403(c) (3) (i) (relating to establishment of State Gaming  
15 Fund and net slot machine revenue distribution) to a host  
16 municipality that is an assisted city, the board shall, by a  
17 majority vote of all the members, direct the assisted city to  
18 use the gaming revenue pursuant to 4 Pa.C.S. 1403(c) (3) (xv).

19 (b) Debt or pension funding.--If the authority votes to  
20 require an assisted city to use gaming revenue under 4 Pa.C.S.  
21 1403(c) (3) (xv) (A) or (B), the authority shall notify the  
22 Secretary of the Budget, the Commonwealth shall distribute the  
23 gaming revenue directly to the assisted city as provided for  
24 under 4 Pa.C.S. § 1403(c) (3) (i) and the assisted city shall use  
25 the gaming revenue as required by the authority.

26 (c) Other purpose.--If the authority votes to require an  
27 assisted city to use gaming revenue for a purpose under 4  
28 Pa.C.S. § 1403(c) (3) (xv) (C), the authority shall transmit in  
29 writing to the assisted city and the Secretary of the Budget no  
30 more than five days from the time of the vote, the purpose and

1 conditions that the assisted city must meet before distribution  
2 of the gaming revenue is made to the assisted city. The  
3 following shall apply:

4 (1) If the assisted city provides the authority with  
5 information that, to the authority's satisfaction, meets the  
6 conditions required under this subsection, the authority  
7 shall notify the Secretary of the Budget and the Commonwealth  
8 shall distribute the gaming revenue directly to the assisted  
9 city as provided for under 4 Pa.C.S. § 1403(c)(3)(i).

10 (2) If the assisted city requires additional time to  
11 meet the conditions required by the authority, the assisted  
12 city shall reply in writing within five days with an update  
13 on the process for meeting the conditions and a projection of  
14 time period that will be needed to complete the requirements.  
15 The authority shall notify the Secretary of the Budget that  
16 the assisted city is not in compliance with the conditions to  
17 meet the purposes required under paragraph (3) and that no  
18 distribution of gaming revenue is to be made to the assisted  
19 city until the conditions are met. The authority shall, by  
20 majority vote, determine when the conditions which caused an  
21 assisted city to be certified as not in compliance have  
22 ceased to exist and shall promptly notify the Secretary of  
23 the Budget of the vote. Upon notification, the Secretary of  
24 the Budget shall release the gaming funds held in escrow,  
25 including the interest and income earned on the funds during  
26 the period held in escrow directly to the assisted city.

27 (3) If the assisted city and the authority are in  
28 dispute as to whether the conditions have been met, the  
29 assisted city may make a request to the Secretary of the  
30 Budget to make a determination that the assisted city has met



1 the conditions. The following shall apply:

2 (i) If the Secretary of the Budget determines that  
3 the conditions have been met, the Secretary of the Budget  
4 shall provide notice to the assisted city and the  
5 authority and shall release the gaming funds held in  
6 escrow, including interest and income earned on the  
7 gaming funds during the period held in escrow directly to  
8 the assisted city.

9 (ii) If the Secretary of the Budget determines that  
10 the assisted city has not met the conditions, the  
11 Secretary of the Budget shall provide notice to the  
12 assisted city and the authority and require that the  
13 assisted city continue to meet the conditions under this  
14 section.

15 Section 6. This act shall take effect in 60 days.