
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1301 Session of
2017

INTRODUCED BY HARKINS, YOUNGBLOOD, BIZZARRO, O'BRIEN, ROZZI,
MILLARD, D. COSTA AND DIAMOND, APRIL 28, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, APRIL 28, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in licensees relating to gaming, further providing
3 for supplier licenses, for manufacturer licenses, for slot
4 machine testing and certification standards and for license
5 renewals and providing for slot machine license operation
6 fee; in table games, further providing for table game device
7 and associated equipment testing and certification standards
8 and for local share assessment; in revenues, further
9 providing for establishment of State Gaming Fund and net slot
10 machine revenue distribution; and making an editorial change.

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

13 Section 1. Sections 1317(c)(1) and (d)(1) and (3) and
14 1317.1(c)(1) and (d)(1) and (3) of Title 4 of the Pennsylvania
15 Consolidated Statutes are amended to read:

16 § 1317. Supplier licenses.

17 * * *

18 (c) Review and approval.--Upon being satisfied that the
19 requirements of subsection (b) have been met, the board may
20 approve the application and issue the applicant a supplier
21 license consistent with all of the following:

22 (1) The [initial license shall be for a period of one

1 year, and, if renewed under subsection (d), the] license
2 shall be issued for a period of [three] five years and shall
3 be renewed in accordance with subsection (d). Nothing in this
4 paragraph shall relieve a licensee of the affirmative duty to
5 notify the board of any changes relating to the status of its
6 license or to any information contained in the application
7 materials on file with the board.

8 * * *

9 (d) Renewal.--

10 (1) [Two] Six months prior to expiration of a supplier
11 license, the supplier licensee seeking renewal of its license
12 shall submit a renewal application accompanied by the renewal
13 fee to the board.

14 * * *

15 (3) If the board receives a complete renewal application
16 but fails to act upon the renewal application prior to the
17 expiration of the supplier license, the supplier license
18 shall continue in effect [for an additional six-month period
19 or] until acted upon by the board[, whichever occurs first].

20 * * *

21 § 1317.1. Manufacturer licenses.

22 * * *

23 (c) Review and approval.--Upon being satisfied that the
24 requirements of subsection (b) have been met, the board may
25 approve the application and grant the applicant a manufacturer
26 license consistent with all of the following:

27 (1) The [initial license shall be for a period of one
28 year, and, if renewed under subsection (d), the] license
29 shall be issued for a period of [three] five years and shall
30 be renewed in accordance with subsection (d). Nothing in this

1 paragraph shall relieve the licensee of the affirmative duty
2 to notify the board of any changes relating to the status of
3 its license or to any other information contained in
4 application materials on file with the board.

5 * * *

6 (d) Renewal.--

7 (1) [Two] Six months prior to expiration of a
8 manufacturer license, the manufacturer licensee seeking
9 renewal of its license shall submit a renewal application
10 accompanied by the renewal fee to the board.

11 * * *

12 (3) If the board receives a complete renewal application
13 but fails to act upon the renewal application prior to the
14 expiration of the manufacturer license, the manufacturer
15 license shall continue in effect [for an additional six-month
16 period or] until acted upon by the board[, whichever occurs
17 first].

18 * * *

19 Section 2. Section 1320(a) and (b) of Title 4 are amended
20 and the section is amended by adding a subsection to read:

21 § 1320. Slot machine testing and certification standards.

22 (a) Use of other state standards.--[Until such time as the
23 board establishes an independent testing and certification
24 facility pursuant to subsection (b), the] The board may
25 determine, at its discretion, whether the slot machine testing
26 and certification standards of another jurisdiction within the
27 United States in which an applicant for a manufacturer license
28 is licensed are comprehensive and thorough and provide similar
29 adequate safeguards as those required by this part. If the board
30 makes that determination, it may permit a manufacturer through a

1 licensed supplier as provided in section 1317 (relating to
2 supplier [and manufacturer licenses application] licenses) to
3 deploy those slot machines which have met the slot machine
4 testing and certification standards in such other jurisdictions
5 without undergoing the full testing and certification process by
6 a board-established independent facility. In the event slot
7 machines of an applicant for a manufacturer license are licensed
8 in such other jurisdiction, the board may determine to use an
9 abbreviated process requiring only that information determined
10 by the board to be necessary to consider the issuance of a slot
11 machine certification to such an applicant. Alternatively, the
12 board in its discretion may also rely upon the certification of
13 a slot machine that has met the testing and certification
14 standards of a board-approved private testing and certification
15 facility [until such time as the board establishes an
16 independent testing and certification facility pursuant to
17 subsection (b). Nothing in this section shall be construed to
18 waive any fees associated with obtaining a license through the
19 normal application process].

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

29 * * *

30 (d) Use of private testing and certification facilities.--

1 (1) Notwithstanding any other provision of this part or
2 regulation of the board, if a slot machine is tested and
3 certified by a private testing and certification facility
4 registered with the board, the board shall use an abbreviated
5 certification process requiring only that information
6 determined by the board to be necessary shall be considered
7 for issuance of a slot machine certification under this
8 section.

9 (2) Within one year of the effective date of this
10 subsection, the board shall promulgate regulations that:

11 (i) Provide for the registration of private testing
12 and certification facilities. Persons seeking
13 registration under this subsection shall be subject to
14 section 1202(b)(9) (relating to general and specific
15 powers).

16 (ii) Specify the form and content of the application
17 for registration.

18 (iii) Establish and collect an application fee for
19 persons seeking registration. The application fee shall
20 include the costs of all background investigations as
21 determined necessary and appropriate by the bureau.

22 (iv) Establish uniform procedures and standards that
23 private testing and certification facilities must comply
24 with during the testing and certification of slot
25 machines.

26 (v) Utilize information provided by private testing
27 and certification facilities for the abbreviated
28 certification of slot machines.

29 (vi) Establish an abbreviated certification process
30 that may be used by registered private testing and

1 certification facilities to test and certify slot
2 machines.

3 (vii) Establish fees that must be paid by licensed
4 manufacturers.

5 (viii) Require slot machines submitted for
6 abbreviated certification to be approved or denied by the
7 board within 30 days from the date of submission to the
8 board. If the board fails to act within the 30-day
9 period, the abbreviated certification shall be deemed
10 conditionally approved.

11 (ix) Provide procedures and standards for the
12 suspension and revocation of the registration of a
13 private testing and certification facility and the
14 reinstatement of a suspended or revoked registration as
15 determined appropriate by the board.

16 Section 3. Section 1326 heading and (a) of Title 4 are
17 amended to read:

18 § 1326. [License renewals] Renewals.

19 (a) Renewal.--All permits and licenses issued under this
20 part unless otherwise provided shall be subject to renewal every
21 [three] five years. Nothing in this subsection shall relieve a
22 permittee or licensee of the affirmative duty to notify the
23 board of any changes relating to the status of its permit or
24 license or to any other information contained in the application
25 materials on file with the board. The application for renewal
26 shall be submitted at least [60 days] six months prior to the
27 expiration of the permit or license and shall include an update
28 of the information contained in the initial and any prior
29 renewal applications and the payment of any renewal fee required
30 by this part. Unless otherwise specifically provided in this

1 part, the amount of any renewal fee shall be calculated by the
2 board to reflect the longer renewal period. A permit or license
3 for which a completed renewal application and fee, if required,
4 has been received by the board will continue in effect unless
5 and until the board sends written notification to the holder of
6 the permit or license that the board has denied the renewal of
7 such permit or license.

8 * * *

9 Section 4. Title 4 is amended by adding a section to read:

10 § 1326.1. Slot machine license operation fee.

11 (a) Imposition.--Beginning January 1, 2017, each Category 1
12 and Category 2 licensed gaming entity shall pay to the board an
13 annual slot machine license operation fee in an amount equal to
14 20% of the slot machine license fee paid at the time of issuance
15 under section 1209(a) (relating to slot machine license fee).

16 (b) Payment of fee.--The slot machine license operation fee
17 imposed under subsection (a) shall be paid in equal monthly
18 installments on or before the first day of each month.

19 (c) Failure to pay.--The board may at the board's discretion
20 suspend, revoke or deny a permit or license issued under this
21 part to a Category 1 licensed gaming entity or Category 2
22 licensed gaming entity that fails to pay the slot machine
23 license operation fee imposed under subsection (a).

24 (d) Deposit.--The slot machine license operation fees
25 collected by the board under this section shall be deposited in
26 the fund and are appropriated to the department on a continuing
27 basis for the purposes enumerated under section 1403(c)(3)
28 (relating to establishment of State Gaming Fund and net slot
29 machine revenue distribution).

30 Section 5. Section 13A41 of Title 4 is amended by adding a

1 subsection to read:

2 § 13A41. Table game device and associated equipment testing and
3 certification standards.

4 * * *

5 (c) Use of private testing and certification facilities.--

6 (1) Notwithstanding any provision of this part or
7 regulation of the board, if a table game device or associated
8 equipment is tested and certified by a private testing and
9 certification facility registered with the board, the board
10 shall use an abbreviated certification process requiring only
11 that information determined by the board to be necessary
12 shall be considered for issuance of a table game device or
13 associated equipment certification under this section.

14 (2) Within one year of the effective date of this
15 subsection, the board shall promulgate regulations that:

16 (i) Provide for the registration of private testing
17 and certification facilities. Persons seeking
18 registration under this subsection shall be subject to
19 section 1202(b)(9) (relating to general and specific
20 powers).

21 (ii) Specify the form and content of the application
22 for registration.

23 (iii) Establish and collect an application fee for
24 persons seeking registration. The application fee shall
25 include the costs of all background investigations as
26 determined necessary and appropriate by the board.

27 (iv) Establish uniform procedures and standards that
28 private testing and certification facilities must comply
29 with during the testing and certification of table game
30 devices and associated equipment.

1 (v) Utilize information provided by private testing
2 and certification facilities for the abbreviated
3 certification of table game devices or associated
4 equipment.

5 (vi) Establish an abbreviated certification process
6 that may be used by registered private testing and
7 certification facilities to test and certify table game
8 devices or associated equipment.

9 (vii) Establish fees that must be paid by a licensed
10 manufacturer.

11 (viii) Require table game devices and associated
12 equipment submitted for abbreviated certification to be
13 approved or denied by the board within 30 days from the
14 date of submission to the board. If the board fails to
15 act within the 30-day period, the abbreviated
16 certification shall be deemed conditionally approved.

17 (ix) Provide procedures and standards for the
18 suspension and revocation of the registration of a
19 private testing and certification facility and the
20 reinstatement of a suspended or revoked registration.

21 Section 6. Section 13A63(b) (2) (ii) and (iii), (3) (iii) (A)
22 and (C) and (4) (i) of Title 4 are amended to read:

23 § 13A63. Local share assessment.

24 * * *

25 (b) Distributions to counties.--The department shall make
26 quarterly distributions from the local share assessments
27 deposited into the fund under subsection (a) to counties,
28 including home rule counties, hosting a licensed facility
29 authorized to conduct table games under this chapter in
30 accordance with the following:

1 * * *

2 (2) If the facility is a Category 1 licensed facility
3 that is located at a thoroughbred racetrack and the county in
4 which the licensed facility is located is:

5 * * *

6 (ii) Except as set forth in subparagraph (iii), a
7 county of the third class: 50% of the licensed
8 facility's local share assessment shall be distributed as
9 follows:

10 (A) Seventy-five percent to the county to be
11 used solely to fund the establishment of a county
12 violent crime task force to reduce gang violence, gun
13 trafficking and violence and drug-related crimes in
14 the county. The district attorney shall appoint,
15 direct and coordinate the operations and personnel of
16 the task force.

17 (B) Twenty-five percent to a contiguous county
18 of the fifth class containing a township of the
19 second class that receives a portion of the licensed
20 facility's local share assessment under subsection
21 (c) (5) (iii).

22 (iii) A county of the third class which is also a
23 home rule county: 100% of the licensed facility's local
24 share assessment shall be distributed [to a community
25 college that is established in the county after the
26 effective date of this subparagraph and prior to January
27 1, 2014, to be used by the community college for
28 organizational, administrative, operating and capital
29 expenditures and the payment of principal, interest and
30 expenses related to indebtedness, subject to the

1 following] as follows:

2 (A) [Until January 1, 2014, or until a community
3 college is established after the effective date of
4 this subparagraph prior to January 1, 2014, whichever
5 occurs first, 100% of the licensed facility's local
6 share assessment] Ninety percent shall be distributed
7 to the county redevelopment authority to be deposited
8 and maintained by the county redevelopment authority
9 in a restricted receipts account. The funds may be
10 invested by the county redevelopment authority as
11 permitted by law, and any interest earned on the
12 funds and investment income derived from the funds
13 shall be deposited into the restricted receipts
14 account. The funds in the restricted receipts account
15 shall be [distributed as provided in clause (B) or
16 used as provided in clause (C), as applicable.

17 (B) If a community college is established in the
18 county following the effective date of this
19 subparagraph and prior to January 1, 2014, the funds
20 in the restricted receipts account established under
21 clause (A) shall be distributed in their entirety by
22 the county redevelopment authority to the community
23 college no later than 60 days following the date of
24 the establishment of the community college.

25 (C) If a community college is not established in
26 the county following the effective date of this
27 subparagraph and prior to January 1, 2014, beginning
28 January 1, 2014, 100% of the licensed facility's
29 local share assessment shall be distributed to the
30 county redevelopment authority to be deposited into

1 the restricted receipts account established under
2 clause (A), and all funds in the restricted receipts
3 account shall be] used by the county redevelopment
4 authority for a revolving loan program available to
5 municipalities within the county for infrastructure
6 projects, including, but not limited to, water,
7 sewer, storm water management, flood control, roads,
8 broadband Internet access, site remediation and
9 public utility infrastructure in areas other than a
10 public utility's own facilities. The county
11 redevelopment authority may use funds from the
12 revolving loan program for expenses related to the
13 cost to administer the revolving loan program in an
14 amount not in excess of 0.5% of the revolving loan
15 program portfolio in a given calendar year. A
16 municipality may not use funds received under the
17 revolving loan program for general budget or
18 operating expenses. The county redevelopment
19 authority shall develop loan program criteria and
20 guidelines consistent with the provisions of this
21 clause.

22 [(D) For purposes of this subparagraph, a
23 community college shall be considered to be
24 established on the date on which the proposed
25 community college plan is approved by the State Board
26 of Education within the meaning of section 1903-A(c)
27 of the act of March 10, 1949 (P.L.30, No.14), known
28 as the Public School Code of 1949, notwithstanding
29 the fact that a board of trustees of the community
30 college may not have yet been appointed by the

1 governing bodies of the local sponsor of the
2 community college.]

3 (E) Ten percent shall be distributed to a city
4 of the third class with a population of not less than
5 80,000 to be used exclusively for police, fire and
6 other emergency services or infrastructure projects.
7 Notwithstanding the provisions of the act of February
8 9, 1999 (P.L.1, No.1), known as the Capital
9 Facilities Debt Enabling Act, grants made under this
10 clause may be utilized as local matching funds for
11 other grants or loans from the Commonwealth.

12 (3) If the facility is a Category 2 licensed facility
13 and if the county in which the licensed facility is located
14 is:

15 * * *

16 (iii) A county of the third class where a city of
17 the third class hosting the licensed facility is located
18 in two counties of the third class: 50% of the licensed
19 facility's local share assessment shall be distributed as
20 follows:

21 (A) Sixty percent to the county in which the
22 licensed facility is located, which shall be
23 deposited into a restricted receipts account to be
24 established in the Commonwealth Financing Authority
25 and to be used exclusively for economic development
26 projects, community improvement projects and other
27 projects in the public interest within the county.

28 * * *

29 (C) Twenty percent to the nonhost county in
30 which the host city is located, of which 50% shall be

1 deposited into a restricted receipts account to be
2 established in the Commonwealth Financing Authority
3 and to be used [solely] exclusively for grants to
4 municipalities [that are contiguous to the host city]
5 within the nonhost county for economic development
6 projects, community improvement projects and other
7 projects in the public interest.

8 * * *

9 (4) The following apply:

10 (i) If the facility is a Category 3 licensed
11 facility located in a county of the second class A: 50%
12 of the licensed facility's local share assessment shall
13 be [deposited into a restricted receipts account to be
14 established in the Commonwealth Financing Authority to be
15 used exclusively for grants or guarantees for projects in
16 the county that qualify under 64 Pa.C.S. §§ 1551
17 (relating to Business in Our Sites Program), 1556
18 (relating to Tax Increment Financing Guarantee Program)
19 and 1558 (relating to Water Supply and Waste Water
20 Infrastructure Program).] distributed as follows:

21 (A) Seventy-five percent shall be distributed to
22 the county hosting the licensed facility from each
23 such licensed facility for the purpose of supporting
24 the maintenance and refurbishment of the Parks and
25 Heritage sites throughout the county in which the
26 licensee is located.

27 (B) Twelve and one-half percent shall be
28 distributed to the county hosting the licensed
29 facility from each such licensed facility for the
30 purpose of supporting a child advocacy center located

1 within the county in which the licensee is located.

2 (C) Twelve and one-half percent shall be
3 distributed to the county hosting the licensed
4 facility from each such licensed facility for the
5 purpose of supporting an organization providing
6 comprehensive support services to victims of domestic
7 violence, including legal and medical aid, shelters,
8 transitional housing and counseling located within
9 the county in which the licensee is located.

10 * * *

11 Section 7. Section 1403(c)(2)(i)(A), (D), (E), (ii)(A) and
12 (D), (iii)(A) and (D.1), (iv)(B), (3) and (e) are reenacted and
13 amended, subsection (c) is amended by adding paragraphs and (c)
14 (2)(ii) is amended by adding clauses to read:

15 § 1403. Establishment of State Gaming Fund and net slot machine
16 revenue distribution.

17 * * *

18 (c) Transfers and distributions.--The department shall:

19 * * *

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

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

28 (A) A county of the first class: [4%] 2% of the
29 gross terminal revenue to the county hosting the
30 licensed facility from each such licensed facility.

1 Notwithstanding any other provision to the contrary,
2 funds from licensed gaming entities located within a
3 county of the first class shall not be distributed
4 outside of a county of the first class.

5 * * *

6 (D) (I) A county of the third class: Except as
7 provided in subclause (II), 2% of the gross
8 terminal revenue from each such licensed facility
9 shall be deposited into a restricted receipts
10 account to be established in the Commonwealth
11 Financing Authority to be used exclusively for
12 grants for projects in the public interest to
13 municipalities within the county where the
14 licensed facility is located.

15 (I.1) Priority shall be given to multiyear
16 projects approved or awarded by the Department of
17 Community and Economic Development under
18 subclause (I) on or before the effective date of
19 this subclause.

20 (I.2) In addition to municipalities that are
21 eligible to receive grant funding under subclause
22 (I), a county redevelopment authority within the
23 county shall also be eligible to receive grant
24 funding to be used exclusively for economic
25 development projects or infrastructure. A county
26 redevelopment authority shall not be eligible to
27 receive more than 10% of the total grant funds
28 awarded.

29 (I.3) Notwithstanding the act of February 9,
30 1999 (P.L.1, No.1), known as the Capital

1 Facilities Debt Enabling Act, grants made under
2 subclause (I) may be utilized as local matching
3 funds for other grants or loans from the
4 Commonwealth.

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

29 (E) A county of the fourth class: 2% of the
30 gross terminal revenue from each such licensed

1 facility shall be distributed as follows:

2 (I) The department shall make distributions
3 directly to each municipality within the county,
4 except the host municipality, by using a formula
5 equal to the sum of \$25,000 plus \$10 per resident
6 of the municipality using the most recent
7 population figures provided by the Department of
8 Community and Economic Development, provided,
9 however, that the amount so distributed to any
10 municipality shall not exceed 50% of its total
11 budget for fiscal year 2009 or 2013, whichever is
12 greater, adjusted for inflation in subsequent
13 fiscal years by an amount not to exceed an annual
14 cost-of-living adjustment calculated by applying
15 any upward percentage change in the Consumer
16 Price Index immediately prior to the date the
17 adjustment is due to take effect. Distributions
18 to a municipality in accordance with this
19 subclause shall be deposited into a special fund
20 which shall be established by the municipality.
21 The governing body of the municipality shall have
22 the right to draw upon the special fund for any
23 lawful purpose provided that the municipality
24 identifies the fund as the source of the
25 expenditure. Each municipality shall annually
26 submit a report to the Department of Community
27 and Economic Development detailing the amount and
28 purpose of each expenditure made from the special
29 fund during the prior fiscal year.

30 (II) Any funds not distributed under

1 subclause (I) shall be deposited into a
2 restricted receipts account established in the
3 Department of Community and Economic Development
4 to be used exclusively for grants to the county,
5 to economic development authorities or
6 redevelopment authorities within the county for
7 grants for economic development projects,
8 infrastructure projects, job training, community
9 improvement projects, other projects in the
10 public interest, and necessary and reasonable
11 administrative costs. Notwithstanding the
12 provisions of the act of February 9, 1999 (P.L.1,
13 No.1), known as the Capital Facilities Debt
14 Enabling Act, grants made under this clause may
15 be utilized as local matching funds for other
16 grants or loans from the Commonwealth.

17 * * *

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

22 (A) A county of the first class: [4%] 2% of the
23 gross terminal revenue to the county hosting the
24 licensed facility from each such licensed facility.
25 Notwithstanding any other provision to the contrary,
26 funds from licensed gaming entities located within
27 the county of the first class shall not be
28 distributed outside of a county of the first class.

29 * * *

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 less any amount paid under clause (D.1) or (D.2). An
4 additional 1% of the gross terminal revenue to the
5 county hosting the licensed facility from each such
6 licensed facility for the purpose of municipal grants
7 within the county in which the licensee is located.
8 Notwithstanding the provisions of the Capital
9 Facilities Debt Enabling Act, grants made under this
10 clause may be utilized as local matching funds for
11 other grants or loans from the Commonwealth.

12 (D.1) If a licensed facility is located in a
13 county of the third class where a city of the third
14 class with a population of not less than 80,000 is
15 located, \$100,000 shall be distributed annually to
16 the city of the third class to be used exclusively
17 for police, fire and other emergency services or
18 infrastructure projects. Notwithstanding the
19 provisions of the Capital Facilities Debt Enabling
20 Act, grants made under this clause may be utilized as
21 local matching funds for other grants or loans from
22 the Commonwealth.

23 (D.2) If a licensed facility is located in a
24 county of the third class and owning land adjacent to
25 the licensed facility in more than one township of
26 the second class, \$500,000 shall be distributed
27 annually to a contiguous county of the fifth class
28 containing a township that receives a portion of the
29 licensed facility's local share assessment under
30 paragraph (3) (v).

1 * * *

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

5 (A) A county of the first class: [4%] 2% of the
6 gross terminal revenue to the county hosting the
7 licensed facility from each such licensed facility.
8 Notwithstanding any other provision to the contrary,
9 funds from licensed gaming entities located within a
10 county of the first class shall not be distributed
11 outside of a county of the first class. [The first
12 \$5,000,000] Fifty percent of the total amount
13 distributed annually to the county of the first class
14 or \$5,000,000, whichever is greater, shall be
15 distributed to the Philadelphia School District.

16 * * *

17 (D.1) If a licensed facility is located in one
18 of two counties of the third class where a city of
19 the third class is located in both counties of the
20 third class, the county in which the licensed
21 facility is located shall receive 1.2% of the gross
22 terminal revenue to be distributed as follows: 20%
23 to the host city, 30% to the host county and 50% to
24 the host county [for the purpose of making municipal
25 grants within the county,] which percentage shall be
26 deposited into a restricted receipts account to be
27 established in the Commonwealth Financing Authority
28 to be used exclusively for economic development
29 projects, community improvement projects and other
30 projects in the public interest within the host

1 county, with priority given to municipalities
2 contiguous to the host city. The county of the third
3 class, which includes a city of the third class that
4 is located in two counties of the third class and is
5 not the host county for the licensed facility, shall
6 receive .8% of the gross terminal revenue to be
7 distributed as follows: 60% to a nonhost city of the
8 third class located solely in the nonhost county in
9 which the host city of the third class is also
10 located or 60% to the nonhost city of the third class
11 located both in the host and nonhost counties of the
12 third class, 35% to the nonhost county and 5% to the
13 nonhost county [for the purpose of making municipal
14 grants within the county.] which percentage shall be
15 deposited into a restricted receipts account to be
16 established in the Commonwealth Financing Authority
17 to be used exclusively for economic development
18 projects, community improvement projects and other
19 projects in the public interest within the nonhost
20 county.

21 * * *

22 (iv) * * *

23 (B) If the facility is a Category 3 licensed
24 facility located in a county of the second class A,
25 2% of the gross terminal revenue [from the licensed
26 facility shall be deposited into a restricted
27 receipts account to be established in the
28 Commonwealth Financing Authority to be used
29 exclusively for grants or guarantees for projects in
30 the host county that qualify under 64 Pa.C.S. §§ 1551

1 (relating to Business in Our Sites Program), 1556
2 (relating to Tax Increment Financing Guarantee
3 Program) and 1558 (relating to Water Supply and
4 Wastewater Infrastructure Program).] shall be
5 distributed to the county hosting the licensed
6 facility from each such licensed facility and shall
7 be deposited as follows:

8 (I) Seventy-five percent shall be deposited
9 for the purpose of supporting the maintenance and
10 refurbishment of parks and heritage sites
11 throughout the county in which the licensed
12 facility is located.

13 (II) Twelve and one-half percent shall be
14 deposited for the purpose of supporting a child
15 advocacy center located within the county in
16 which the licensed facility is located.

17 (III) Twelve and one-half percent shall be
18 deposited for the purpose of supporting an
19 organization providing comprehensive support
20 services to victims of domestic violence,
21 including legal and medical aid, shelter,
22 transitional housing and counseling located
23 within the county in which the licensed facility
24 is located.

25 * * *

26 (3) From [the local share assessment established in
27 subsection (b)] the slot machine operation fees deposited
28 into the fund under section 1326.1(d) (relating to slot
29 machine license operation fee), make quarterly distributions
30 among the municipalities, including home rule municipalities,

1 hosting a licensed facility in accordance with the following
2 schedule:

3 [(i) To a city of the second class hosting a
4 licensed facility, other than a Category 3 licensed
5 facility, 2% of the gross terminal revenue or \$10,000,000
6 annually, whichever is greater, shall be paid by each
7 licensed gaming entity operating a facility located in
8 that city. 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 and deposit that amount in the city treasury.]

14 (i.1) To a city of the first class hosting a
15 licensed facility, other than a Category 3 licensed
16 facility, \$10,000,000 annually shall be distributed to
17 the city treasury.

18 (i.2) To a city of the second class hosting a
19 licensed facility, other than a Category 3 licensed
20 facility, \$10,000,000 annually shall be distributed to
21 the city treasury.

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

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

17 (iii) To a city of the third class hosting a
18 licensed facility, other than a Category 3 licensed
19 facility, [2% of the gross terminal revenue or]
20 \$10,000,000 annually[, whichever is greater, shall be
21 paid by each licensed gaming entity operating a licensed
22 facility located in that city,] less any amount up to
23 \$5,000,000 received pursuant to a written agreement with
24 a licensed gaming entity executed prior to the effective
25 date of this part, shall be distributed to the city,
26 subject, however, to the budgetary limitation in this
27 subparagraph. In the event that the city has a written
28 agreement with a licensed gaming entity executed prior to
29 the effective date of this part, the amount paid under
30 the agreement to the city shall be applied and credited

1 [to the difference between 2% of the gross terminal
2 revenue and the \$10,000,000 owed under this subparagraph
3 if the 2% of the gross terminal revenue is less than
4 \$10,000,000. If 2% of the gross terminal revenue is
5 greater than the \$10,000,000 required to be paid under
6 this subparagraph, the credit shall not apply. The amount
7 of gross terminal revenue required to be paid pursuant to
8 the agreement shall be deemed to be gross terminal
9 revenue for purposes of this subparagraph.], up to
10 \$5,000,000, to the slot machine license operation fee
11 owed under section 1326.1. The amount allocated to the
12 designated municipalities shall not exceed 50% of their
13 total budget for fiscal year 2003-2004, adjusted for
14 inflation in subsequent years by an amount not to exceed
15 an annual cost-of-living adjustment calculated by
16 applying the percentage change in the Consumer Price
17 Index immediately prior to the date the adjustment is due
18 to take effect. Any remaining moneys shall be [collected
19 by the department from each licensed gaming entity and]
20 distributed in accordance with paragraph (2) based upon
21 the classification of county where the licensed facility
22 is located. [In the event that the revenues generated by
23 the 2% do not meet the \$10,000,000 minimum specified in
24 this subparagraph, the department shall collect the
25 remainder of the minimum amount of \$10,000,000 from each
26 licensed gaming entity operating a facility, pay any
27 balance due to the city of the third class and transfer
28 any remainder in accordance with paragraph (2).]

29 (iii.1) If a licensed facility, other than a
30 Category 3 licensed facility, is located in a city of the

1 third class and the city is located in more than one
2 county of the third class, [2% of the gross terminal
3 revenue or] \$10,000,000 annually, [whichever is greater,]
4 shall be distributed as follows: 80% to the host city
5 and 20% to the city of the third class located solely in
6 a nonhost county in which the host city of the third
7 class is also located. If a licensed facility, other than
8 a Category 3 licensed facility, is located in a city of
9 the third class and that city is located solely in a host
10 county of the third class in which a nonhost city of the
11 third class is also located, [2% of gross terminal
12 revenue or] \$10,000,000 annually[, whichever is greater,]
13 shall be distributed as follows: 80% to the host city
14 and 20% to a city of the third class located both in a
15 nonhost county of the third class and in a host county of
16 the third class in which the host city of the third class
17 is located.

18 (iv) To a township of the first class hosting a
19 licensed facility, other than a Category 3 licensed
20 facility, [2% of the gross terminal revenue or]
21 \$10,000,000 annually[, whichever is greater, shall be
22 paid by each licensed gaming entity operating a licensed
23 facility located in the township] shall be distributed to
24 the township, subject, however, to the budgetary
25 limitation in this subparagraph. The amount allocated to
26 the designated municipalities shall not exceed 50% of
27 their total budget for fiscal year 2003-2004, adjusted
28 for inflation in subsequent years by an amount not to
29 exceed an annual cost-of-living adjustment calculated by
30 applying the percentage change in the Consumer Price

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

13 (v) To a township of the second class hosting a
14 licensed facility:

15 (A) [2% of the gross terminal revenue or]
16 \$10,000,000 annually[, whichever is greater, shall be
17 paid by each licensed gaming entity operating a
18 licensed facility, other than a Category 3 licensed
19 facility or a licensed facility owning land adjacent
20 to the licensed facility located in more than one
21 township of the second class,] shall be distributed
22 to the township of the second class hosting [the] a
23 licensed facility, other than a Category 3 licensed
24 facility or a licensed facility located in more than
25 one township of the second class, subject, however,
26 to the budgetary limitation in this subparagraph. The
27 amount allocated to the designated municipalities
28 shall not exceed 50% of their total budget for fiscal
29 year 2003-2004, adjusted for inflation in subsequent
30 years by an amount not to exceed an annual cost-of-

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

16 (B) [2% of the gross terminal revenue or]
17 \$10,000,000 annually[, whichever is greater,] less
18 the amount paid under clause (C), shall be [paid by
19 each licensed gaming entity operating a licensed
20 facility and owning land adjacent to the licensed
21 facility located in more than one township of the
22 second class, other than a Category 3 licensed
23 facility,] distributed to the township of the second
24 class hosting [the] a licensed facility which owns
25 land adjacent to the licensed facility located in
26 more than one township of the second class, other
27 than a Category 3 licensed facility, subject,
28 however, to the budgetary limitation in this
29 subparagraph. The amount allocated to the designated
30 municipalities may not exceed 50% of their total

1 budget for the fiscal year 2003-2004, adjusted for
2 inflation in subsequent years by an amount not to
3 exceed an annual cost-of-living adjustment calculated
4 by applying the percentage change in the Consumer
5 Price Index immediately prior to the date the
6 adjustment is due to take effect. Any remaining money
7 shall be [collected by the department from each
8 licensed gaming entity and] distributed in accordance
9 with paragraph (2) based upon the classification of
10 the county where the licensed facility is located.
11 The county commissioners of a county of the third
12 class in which the licensed facility is located shall
13 appoint an advisory committee for the purpose of
14 advising the county as to the need for municipal
15 grants for health, safety, transportation and other
16 projects in the public interest to be comprised of
17 two individuals from the host municipality, two from
18 contiguous municipalities within the county of the
19 third class and one from the host county. [In the
20 event that the revenues generated by the 2% do not
21 meet the \$10,000,000 minimum specified in this
22 subparagraph, the department shall collect the
23 remainder of the minimum amount of \$10,000,000 from
24 each licensed gaming entity operating a licensed
25 facility in the township, pay any balance due to the
26 township and transfer any remainder in accordance
27 with paragraph (2).]

28 (C) [\$160,000 annually shall be paid by each
29 licensed gaming entity operating a licensed facility
30 and owning land adjacent to the licensed facility

1 located in more than one township of the second
2 class, other than a Category 3 licensed facility, to
3 the township of the second class that is located in a
4 county of the fifth class in which the adjacent land
5 is located, including racetracks, grazing fields or
6 any other adjoining real property.] For land owned by
7 a licensed gaming entity, other than a Category 3
8 licensed facility, and located in more than one
9 township of the second class: \$160,000 shall be
10 distributed annually to the township of the second
11 class which is located in a county of the fifth class
12 if the land owned, including racetracks, grazing
13 fields and other adjoining real property, is adjacent
14 to the licensed facility.

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

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

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

1 of the minimum amount of \$10,000,000 from each licensed
2 gaming entity operating a licensed facility in the
3 incorporated town, pay any balance due to the town and
4 transfer any remainder in accordance with paragraph (2).

5 (viii) (A) Except as provided in clause (B) or (C),
6 to a municipality of any class hosting a Category 3
7 facility, 2% of the gross terminal revenue from the
8 Category 3 licensed facility located in the
9 municipality, subject, however, to the budgetary
10 limitation in this clause. The amount allocated to
11 the designated municipalities shall not exceed 50% of
12 their total budget for fiscal year 2009, adjusted for
13 inflation in subsequent years by an amount not to
14 exceed an annual cost-of-living adjustment calculated
15 by applying the percentage change in the Consumer
16 Price Index immediately prior to the date the
17 adjustment is due to take effect. Any remaining money
18 shall be collected by the department from each
19 licensed gaming entity and distributed in accordance
20 with paragraph (2) based upon the classification of
21 county where the licensed facility is located.

22 (B) If the municipality hosting a Category 3
23 licensed facility is a borough located in a county of
24 the third class and the borough is contiguous to a
25 city of the third class, 1% of gross terminal revenue
26 shall be distributed to the host borough and 1% of
27 gross terminal revenue shall be distributed to the
28 city of the third class that is contiguous to the
29 host borough, subject, however, to the budgetary
30 limitation in this clause. The amount allocated to

1 each designated municipality shall not exceed 50% of
2 its total budget for fiscal year 2009, adjusted for
3 inflation in subsequent years by an amount not to
4 exceed an annual cost-of-living adjustment calculated
5 by applying the percentage increase, if any, in the
6 Consumer Price Index immediately prior to the date
7 the adjustment is due to take effect. Any remaining
8 money shall be collected by the department from each
9 licensed gaming entity and distributed in accordance
10 with paragraph (2) based upon the classification of
11 county where the licensed facility is located.

12 (C) If the municipality hosting a Category 3
13 licensed facility is a township of the second class
14 in a county of the fifth class which is contiguous to
15 a county of the seventh class, 2% of the gross
16 terminal revenue from the Category 3 licensed
17 facility located in the municipality shall be
18 distributed to the municipality, subject, however, to
19 the budgetary limitation in this clause. The amount
20 allocated to the designated municipalities shall not
21 exceed the lesser of \$1,000,000 or 50% of their total
22 budget for fiscal year 2009, adjusted for inflation
23 in subsequent years by an amount not to exceed an
24 annual cost-of-living adjustment calculated by
25 applying the percentage change in the Consumer Price
26 Index immediately prior to the date the adjustment is
27 due to take effect. Any remaining money shall be
28 collected by the department from each licensed gaming
29 entity and distributed in equal amounts to each
30 municipality contiguous to the host municipality.

1 However, the amount to be allocated to any contiguous
2 municipality shall not exceed the lesser of
3 \$1,000,000 or 50% of the municipality's total budget
4 for fiscal year 2009, adjusted for inflation in
5 subsequent years by an amount not to exceed an annual
6 cost-of-living adjustment calculated by applying the
7 percentage change in the Consumer Price Index
8 immediately prior to the date the adjustment is due
9 to take effect. Any money remaining following
10 distribution to contiguous municipalities shall be
11 collected by the department and distributed in
12 accordance with paragraph (2) based upon the
13 classification of county where the licensed facility
14 is located.

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

19 (x) If the licensed facility is located in more than
20 one municipality, the amount available shall be
21 distributed on a pro rata basis determined by the
22 percentage of acreage located in each municipality to the
23 total acreage of all municipalities occupied by the
24 licensed facility.

25 (xi) If the licensed facility is located at a resort
26 which is also an incorporated municipality, such
27 municipality shall not be eligible to receive any
28 distribution under this paragraph. The distribution it
29 would have otherwise been entitled to under this
30 paragraph shall instead be distributed in accordance with

1 paragraph (2) based upon the county where the licensed
2 facility is located.

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

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

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

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

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

30 (B) to increase the level of funding of the

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

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

15 (i) Except as provided in subparagraph (ii) or
16 (iii), to a municipality of any class hosting a Category
17 3 facility, 2% of the gross terminal revenue from the
18 Category 3 licensed facility located in the municipality,
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 2009, 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.

2 (ii) If the municipality hosting a Category 3
3 licensed facility is a borough located in a county of the
4 third class and the borough is contiguous to a city of
5 the third class, 1% of gross terminal revenue shall be
6 distributed to the host borough and 1% of gross terminal
7 revenue shall be distributed to the city of the third
8 class that is contiguous to the host borough, subject,
9 however, to the budgetary limitation in this
10 subparagraph. The amount allocated to each designated
11 municipality shall not exceed 50% of its total budget for
12 fiscal year 2009, adjusted for inflation in subsequent
13 years by an amount not to exceed an annual cost-of-living
14 adjustment calculated by applying the percentage
15 increase, if any, in the Consumer Price Index immediately
16 prior to the date the adjustment is due to take effect.
17 Any remaining money shall be collected by the department
18 from each licensed gaming entity and distributed in
19 accordance with paragraph (2) based upon the
20 classification of county where the licensed facility is
21 located.

22 (iii) If the municipality hosting a Category 3
23 licensed facility is a township of the second class in a
24 county of the fifth class which is contiguous to a county
25 of the seventh class, 2% of the gross terminal revenue
26 from the Category 3 licensed facility located in the
27 municipality shall be distributed to the municipality,
28 subject, however, to the budgetary limitation in this
29 subparagraph. The amount allocated to the designated
30 municipalities shall not exceed the lesser of \$1,000,000

1 or 50% of their total budget for fiscal year 2009,
2 adjusted for inflation in subsequent years by an amount
3 not to exceed an annual cost-of-living adjustment
4 calculated by applying the percentage change in the
5 Consumer Price Index immediately prior to the date the
6 adjustment is due to take effect. Any remaining money
7 shall be collected by the department from each licensed
8 gaming entity and distributed in equal amounts to each
9 municipality contiguous to the host municipality. The
10 amount to be allocated to any contiguous municipality
11 shall not exceed the lesser of \$1,000,000 or 50% of the
12 municipality's total budget for fiscal year 2009,
13 adjusted for inflation in subsequent years by an amount
14 not to exceed an annual cost-of-living adjustment
15 calculated by applying the percentage change in the
16 Consumer Price Index immediately prior to the date the
17 adjustment is due to take effect. Any money remaining
18 following distribution to contiguous municipalities shall
19 be collected by the department and distributed in
20 accordance with paragraph (2) based upon the
21 classification of county where the licensed facility is
22 located.

23 (5) From the slot machine operation fees deposited in
24 the fund under section 1326.1(d), make quarterly
25 distributions to any municipality not specifically enumerated
26 in paragraph (3) or (4) hosting a Category 1 licensed
27 facility or a Category 2 licensed facility, equal to
28 \$10,000,000 annually.

29 (6) From the local share assessment established in
30 subsection (b), make quarterly distributions to any

1 municipality not enumerated in paragraph (3) or (4) hosting a
2 Category 3 licensed facility: 2% of the gross terminal
3 revenue paid by each licensed gaming entity operating a
4 Category 3 licensed facility.

5 (7) If a licensed facility is located in more than one
6 municipality, the amount available shall be distributed on a
7 pro rata basis determined by the percentage of acreage
8 located in each municipality to the total acreage of all
9 municipalities occupied by the licensed facility.

10 (8) If a licensed facility is located at a resort which
11 is also an incorporated municipality, the municipality shall
12 not be eligible to receive any distribution under paragraph
13 (3), (4), (5) or (6). The distribution it would have
14 otherwise been entitled to under paragraph (3), (4), (5) or
15 (6) shall instead be distributed in accordance with paragraph
16 (2) based upon the classification of county where the
17 licensed facility is located.

18 (9) The distributions provided in paragraph (3), (4),
19 (5) or (6) shall be based upon municipal classifications in
20 effect on July 5, 2004. For the purposes of paragraphs (3),
21 (4), (5) and (6), any reclassification of municipalities as a
22 result of a Federal decennial census or of a State statute
23 shall not apply to paragraphs (3), (4), (5) and (6).

24 (10) If any provision of paragraph (3), (4), (5) or (6)
25 is found to be unenforceable for any reason, the distribution
26 provided for in the unenforceable provision shall be made to
27 the municipality in which the licensed facility is located.

28 (11) Nothing in paragraph (3), (4), (5) or (6) shall be
29 construed to prevent any of the above municipalities from
30 entering into intergovernmental cooperative agreements with

1 other jurisdictions for sharing the funds distributed to
2 them.

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

13 (i) to reduce the debt of the city of the second
14 class;

15 (ii) to increase the level of funding of the
16 municipal pension funds of the city of the second class;
17 or

18 (iii) for any other purposes as determined to be in
19 the best interest of the city of the second class by the
20 intergovernmental cooperation authority. The revenues
21 shall not be directed to or under the control of the city
22 of the second class or any coordinator appointed under
23 the act of July 10, 1987 (P.L.246, No.47), known as the
24 Municipalities Financial Recovery Act, for the city of
25 the second class.

26 * * *

27 (e) Reporting.--

28 (1) In cooperation with the department and the
29 Commonwealth Financing Authority, the Department of Community
30 and Economic Development shall submit an annual report on all

1 distributions of local share assessments and slot machine
2 license operation fees to counties and municipalities under
3 this section to the chairman and minority chairman of the
4 Appropriations Committee of the Senate, the chairman and
5 minority chairman of the Community, Economic and Recreational
6 Development Committee of the Senate, the chairman and
7 minority chairman of the Appropriations Committee of the
8 House of Representatives and the chairman and minority
9 chairman of the Gaming Oversight Committee of the House of
10 Representatives. The report shall be submitted by [August 31,
11 2010] March 31, 2018, and by [August] March 31 of each year
12 thereafter.

13 (2) All counties and municipalities receiving
14 distributions of local share assessments or slot machine
15 license operation fees under this section shall submit
16 information to the Department of Community and Economic
17 Development on a form prepared by the Department of Community
18 and Economic Development that sets forth the amount and use
19 of the funds received in the prior calendar year. The form
20 shall set forth whether the funds received were deposited in
21 the county's or municipality's General Fund or committed to a
22 specific project or use.

23 * * *

24 Section 8. Section 1518(a)(5) of Title 4 is amended to read:
25 § 1518. Prohibited acts; penalties.

26 (a) Criminal offenses.--

27 * * *

28 (5) Except as provided for in section 1326 (relating to
29 [license] renewals), it shall be unlawful for a licensed
30 entity or other person to manufacture, supply, operate, carry

1 on or expose for play any slot machine, table game, table
2 game device or associated equipment after the person's
3 license has expired and prior to the actual renewal of the
4 license.

5 * * *

6 Section 9. Licensed gaming entities required to make
7 payments under 4 Pa.C.S. § 1326.1 shall:

8 (1) receive a credit against payments due in calendar
9 year 2017 for any payments made up to the date the first
10 payment is due under paragraph (2) under the following:

11 (i) 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iii.1),
12 (iv), (v), (vi) and (vii) and 4(i) and (ii), formerly (3)
13 (viii)(A) and (B), as those provisions were in existence
14 prior to the effective date of the amendment of 4 Pa.C.S.
15 § 1403; or

16 (ii) any written agreement between a municipality
17 and a licensed gaming entity required to make payments
18 under 4 Pa.C.S. § 1326.1 entered into prior to the
19 effective date of this section that relates to the
20 payments required under 4 Pa.C.S. § 1403(c)(3)(i), (ii),
21 (iii), (iii.1), (iv), (v), (vi) and (vii) and 4(i) and
22 (ii), formerly (3)(viii)(A) and (B), as those provisions
23 existed prior to the effective date of the amendment of 4
24 Pa.C.S. § 1403; and

25 (2) commence the payments due under this section the
26 first day of the first calendar month following the effective
27 date of this section.

28 Section 10. This act shall take effect immediately.