

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1301 Session of 2017

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

AS REPORTED FROM COMMITTEE ON GAMING OVERSIGHT, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 22, 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:

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

9 * * *

10 (d) Renewal.--

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

15 * * *

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

21 * * *

22 § 1317.1. Manufacturer licenses.

23 * * *

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

28 (1) The [initial license shall be for a period of one
29 year, and, if renewed under subsection (d), the] license
30 shall be issued for a period of [three] five years and shall

1 be renewed in accordance with subsection (d). Nothing in this
2 paragraph shall relieve the licensee of the affirmative duty
3 to notify the board of any changes relating to the status of
4 its license or to any other information contained in
5 application materials on file with the board.

6 * * *

7 (d) Renewal.--

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

12 * * *

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

19 * * *

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

22 § 1320. Slot machine testing and certification standards.

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

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

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

30 * * *

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

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

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

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

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

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

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

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

30 (vi) Establish an abbreviated certification process

1 that may be used by registered private testing and
2 certification facilities to test and certify slot
3 machines.

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

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

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

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

19 § 1326. [License renewals] Renewals.

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

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

9 * * *

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

11 § 1326.1. Slot machine license operation fee.

12 (a) Imposition.--Beginning January 1, 2017, each Category 1
13 and Category 2 licensed gaming entity, OTHER THAN A CATEGORY 1 <--
14 OR CATEGORY 2 LICENSED GAMING ENTITY LOCATED IN A COUNTY OF THE
15 FIRST CLASS, shall pay to the board an annual slot machine
16 license operation fee in an amount equal to 20% of the slot
17 machine license fee paid at the time of issuance under section
18 1209(a) (relating to slot machine license fee).

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

22 (c) Failure to pay.--The board may at the board's discretion
23 suspend, revoke or deny a permit or license issued under this
24 part to a Category 1 ~~licensed gaming entity~~ or Category 2 <--
25 licensed gaming entity, OTHER THAN A CATEGORY 1 OR CATEGORY 2 <--
26 LICENSED GAMING ENTITY LOCATED IN A COUNTY OF THE FIRST CLASS,
27 that fails to pay the slot machine license operation fee imposed
28 under subsection (a).

29 (d) Deposit.--The slot machine license operation fees
30 collected by the board under this section shall be deposited in

1 the fund and are appropriated to the department on a continuing
2 basis for the purposes enumerated under section 1403(c) (3)
3 (relating to establishment of State Gaming Fund and net slot
4 machine revenue distribution).

5 Section 5. Section 13A41 of Title 4 is amended by adding a
6 subsection to read:

7 § 13A41. Table game device and associated equipment testing and
8 certification standards.

9 * * *

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

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

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

21 (i) Provide for the registration of private testing
22 and certification facilities. Persons seeking
23 registration under this subsection shall be subject to
24 section 1202(b) (9) (relating to general and specific
25 powers).

26 (ii) Specify the form and content of the application
27 for registration.

28 (iii) Establish and collect an application fee for
29 persons seeking registration. The application fee shall
30 include the costs of all background investigations as

1 determined necessary and appropriate by the board.

2 (iv) Establish uniform procedures and standards that
3 private testing and certification facilities must comply
4 with during the testing and certification of table game
5 devices and associated equipment.

6 (v) Utilize information provided by private testing
7 and certification facilities for the abbreviated
8 certification of table game devices or associated
9 equipment.

10 (vi) Establish an abbreviated certification process
11 that may be used by registered private testing and
12 certification facilities to test and certify table game
13 devices or associated equipment.

14 (vii) Establish fees that must be paid by a licensed
15 manufacturer.

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

22 (ix) Provide procedures and standards for the
23 suspension and revocation of the registration of a
24 private testing and certification facility and the
25 reinstatement of a suspended or revoked registration.

26 Section 6. ~~Section 13A63(b)(2)(ii) and (iii)~~ 13A63(B)(2) <--
27 (III), (3)(iii)(A) and (C) and (4)(i) of Title 4 are amended to
28 read:

29 § 13A63. Local share assessment.

30 * * *

1 (b) Distributions to counties.--The department shall make
2 quarterly distributions from the local share assessments
3 deposited into the fund under subsection (a) to counties,
4 including home rule counties, hosting a licensed facility
5 authorized to conduct table games under this chapter in
6 accordance with the following:

7 * * *

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

11 * * *

12 ~~(ii) Except as set forth in subparagraph (iii), a~~ <--
13 ~~county of the third class: 50% of the licensed~~
14 ~~facility's local share assessment shall be distributed as~~
15 ~~follows:~~

16 ~~(A) Seventy five percent to the county to be~~
17 ~~used solely to fund the establishment of a county~~
18 ~~violent crime task force to reduce gang violence, gun~~
19 ~~trafficking and violence and drug related crimes in~~
20 ~~the county. The district attorney shall appoint,~~
21 ~~direct and coordinate the operations and personnel of~~
22 ~~the task force.~~

23 ~~(B) Twenty five percent to a contiguous county~~
24 ~~of the fifth class containing a township of the~~
25 ~~second class that receives a portion of the licensed~~
26 ~~facility's local share assessment under subsection~~
27 ~~(c) (5) (iii).~~

28 (iii) A county of the third class which is also a
29 home rule county: 100% of the licensed facility's local
30 share assessment shall be distributed [to a community

1 college that is established in the county after the
2 effective date of this subparagraph and prior to January
3 1, 2014, to be used by the community college for
4 organizational, administrative, operating and capital
5 expenditures and the payment of principal, interest and
6 expenses related to indebtedness, subject to the
7 following] as follows:

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

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

1 (C) If a community college is not established in
2 the county following the effective date of this
3 subparagraph and prior to January 1, 2014, beginning
4 January 1, 2014, 100% of the licensed facility's
5 local share assessment shall be distributed to the
6 county redevelopment authority to be deposited into
7 the restricted receipts account established under
8 clause (A), and all funds in the restricted receipts
9 account shall be] used by the county redevelopment
10 authority for a revolving loan program available to
11 municipalities within the county for infrastructure
12 projects, including, but not limited to, water,
13 sewer, storm water management, flood control, roads,
14 broadband Internet access, site remediation and
15 public utility infrastructure in areas other than a
16 public utility's own facilities. The county
17 redevelopment authority may use funds from the
18 revolving loan program for expenses related to the
19 cost to administer the revolving loan program in an
20 amount not in excess of 0.5% of the revolving loan
21 program portfolio in a given calendar year. A
22 municipality may not use funds received under the
23 revolving loan program for general budget or
24 operating expenses. The county redevelopment
25 authority shall develop loan program criteria and
26 guidelines consistent with the provisions of this
27 clause.

28 [(D) For purposes of this subparagraph, a
29 community college shall be considered to be
30 established on the date on which the proposed

1 community college plan is approved by the State Board
2 of Education within the meaning of section 1903-A(c)
3 of the act of March 10, 1949 (P.L.30, No.14), known
4 as the Public School Code of 1949, notwithstanding
5 the fact that a board of trustees of the community
6 college may not have yet been appointed by the
7 governing bodies of the local sponsor of the
8 community college.]

9 (E) Ten percent shall be distributed to a city
10 of the third class with a population of not less than
11 80,000 to be used exclusively for police, fire and
12 other emergency services or infrastructure projects.
13 Notwithstanding the provisions of the act of February
14 9, 1999 (P.L.1, No.1), known as the Capital
15 Facilities Debt Enabling Act, grants made under this
16 clause may be utilized as local matching funds for
17 other grants or loans from the Commonwealth.

18 (3) If the facility is a Category 2 licensed facility
19 and if the county in which the licensed facility is located
20 is:

21 * * *

22 (iii) A county of the third class where a city of
23 the third class hosting the licensed facility is located
24 in two counties of the third class: 50% of the licensed
25 facility's local share assessment shall be distributed as
26 follows:

27 (A) Sixty percent to the county in which the
28 licensed facility is located, which shall be
29 deposited into a restricted receipts account to be
30 established in the Commonwealth Financing Authority

1 and to be used exclusively for economic development
2 projects, community improvement projects and other
3 projects in the public interest within the county.

4 * * *

5 (C) Twenty percent to the nonhost county in
6 which the host city is located, of which 50% shall be
7 deposited into a restricted receipts account to be
8 established in the Commonwealth Financing Authority
9 and to be used [solely] exclusively for grants to
10 municipalities [that are contiguous to the host city]
11 within the nonhost county for economic development
12 projects, community improvement projects and other
13 projects in the public interest.

14 * * *

15 (4) The following apply:

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

27 (A) Seventy-five percent shall be distributed to
28 the county hosting the licensed facility from each
29 such licensed facility for the purpose of supporting
30 the maintenance and refurbishment of the Parks and

1 Heritage sites throughout the county in which the
2 licensee is located.

3 (B) Twelve and one-half percent shall be
4 distributed to the county hosting the licensed
5 facility from each such licensed facility for the
6 purpose of supporting a child advocacy center located
7 within the county in which the licensee is located.

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

16 * * *

17 Section 7. ~~Section 1403(e)(2)(i)(A), (D), (E), (ii)(A) and~~ <--
18 ~~(D)~~ 1403(C)(2)(I)(D) AND (E), (II)(D), (iii)(A) and (D.1), (iv) <--
19 (B), (3) and (e) are reenacted and amended, subsection (c) is
20 amended by adding paragraphs and (c)(2)(ii) is amended by adding
21 ~~clauses~~ A CLAUSE to read: <--

22 § 1403. Establishment of State Gaming Fund and net slot machine
23 revenue distribution.

24 * * *

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

26 * * *

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

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

12 * * *

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

22 (I.1) Priority shall be given to multiyear
23 projects approved or awarded by the Department of
24 Community and Economic Development under
25 subclause (I) on or before the effective date of
26 this subclause.

27 (I.2) In addition to municipalities that are
28 eligible to receive grant funding under subclause
29 (I), a county redevelopment authority within the
30 county shall also be eligible to receive grant

1 funding to be used exclusively for economic
2 development projects or infrastructure. A county
3 redevelopment authority shall not be eligible to
4 receive more than 10% of the total grant funds
5 awarded.

6 (I.3) Notwithstanding the act of February 9,
7 1999 (P.L.1, No.1), known as the Capital
8 Facilities Debt Enabling Act, grants made under
9 subclause (I) may be utilized as local matching
10 funds for other grants or loans from the
11 Commonwealth.

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

1 the nonhost city of the third class located both
2 in the host and nonhost counties of the third
3 class, 35% to the nonhost county and 5% to the
4 nonhost county for the purpose of making
5 municipal grants within the county.

6 (E) A county of the fourth class: 2% of the
7 gross terminal revenue from each such licensed
8 facility shall be distributed as follows:

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

1 identifies the fund as the source of the
2 expenditure. Each municipality shall annually
3 submit a report to the Department of Community
4 and Economic Development detailing the amount and
5 purpose of each expenditure made from the special
6 fund during the prior fiscal year.

7 (II) Any funds not distributed under
8 subclause (I) shall be deposited into a
9 restricted receipts account established in the
10 Department of Community and Economic Development
11 to be used exclusively for grants to the county,
12 to economic development authorities or
13 redevelopment authorities within the county for
14 grants for economic development projects,
15 infrastructure projects, job training, community
16 improvement projects, other projects in the
17 public interest, and necessary and reasonable
18 administrative costs. Notwithstanding the
19 provisions of the act of February 9, 1999 (P.L.1,
20 No.1), known as the Capital Facilities Debt
21 Enabling Act, grants made under this clause may
22 be utilized as local matching funds for other
23 grants or loans from the Commonwealth.

24 * * *

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

29 ~~(A) A county of the first class: [4%] 2% of the <--~~
30 ~~gross terminal revenue to the county hosting the~~

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

6 * * *

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

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

30 ~~(D.2) If a licensed facility is located in a~~ <--

1 ~~county of the third class and owning land adjacent to~~
2 ~~the licensed facility in more than one township of~~
3 ~~the second class, \$500,000 shall be distributed~~
4 ~~annually to a contiguous county of the fifth class~~
5 ~~containing a township that receives a portion of the~~
6 ~~licensed facility's local share assessment under~~
7 ~~paragraph (3) (v).~~

8 * * *

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

12 (A) A county of the first class: ~~{4%}~~ 2% of the <--
13 gross terminal revenue to the county hosting the
14 licensed facility from each such licensed facility.
15 Notwithstanding any other provision to the contrary,
16 funds from licensed gaming entities located within a
17 county of the first class shall not be distributed
18 outside of a county of the first class. [The first
19 \$5,000,000] Fifty percent of the total amount
20 distributed annually to the county of the first class
21 or \$5,000,000, whichever is greater, shall be
22 distributed to the Philadelphia School District.

23 * * *

24 (D.1) If a licensed facility is located in one
25 of two counties of the third class where a city of
26 the third class is located in both counties of the
27 third class, the county in which the licensed
28 facility is located shall receive 1.2% of the gross
29 terminal revenue to be distributed as follows: 20%
30 to the host city, 30% to the host county and 50% to

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

28 * * *

29 (iv) * * *

30 (B) If the facility is a Category 3 licensed

1 facility located in a county of the second class A,
2 2% of the gross terminal revenue [from the licensed
3 facility shall be deposited into a restricted
4 receipts account to be established in the
5 Commonwealth Financing Authority to be used
6 exclusively for grants or guarantees for projects in
7 the host county that qualify under 64 Pa.C.S. §§ 1551
8 (relating to Business in Our Sites Program), 1556
9 (relating to Tax Increment Financing Guarantee
10 Program) and 1558 (relating to Water Supply and
11 Wastewater Infrastructure Program).] shall be
12 distributed to the county hosting the licensed
13 facility from each such licensed facility and shall
14 be deposited as follows:

15 (I) Seventy-five percent shall be deposited
16 for the purpose of supporting the maintenance and
17 refurbishment of parks and heritage sites
18 throughout the county in which the licensed
19 facility is located.

20 (II) Twelve and one-half percent shall be
21 deposited for the purpose of supporting a child
22 advocacy center located within the county in
23 which the licensed facility is located.

24 (III) Twelve and one-half percent shall be
25 deposited for the purpose of supporting an
26 organization providing comprehensive support
27 services to victims of domestic violence,
28 including legal and medical aid, shelter,
29 transitional housing and counseling located
30 within the county in which the licensed facility

1 is located.

2 * * *

3 (3) From [the local share assessment established in
4 subsection (b)] the slot machine operation fees deposited
5 into the fund under section 1326.1(d) (relating to slot
6 machine license operation fee), make quarterly distributions
7 among the municipalities, including home rule municipalities,
8 hosting a licensed facility in accordance with the following
9 schedule:

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

21 ~~(i.1) To a city of the first class hosting a~~ <--
22 ~~licensed facility, other than a Category 3 licensed~~
23 ~~facility, \$10,000,000 annually shall be distributed to~~
24 ~~the city treasury.~~

25 ~~(i.2) (I.1) To a city of the second class hosting a~~ <--
26 ~~licensed facility, other than a Category 3 licensed~~
27 ~~facility, \$10,000,000 annually shall be distributed to~~
28 ~~the city treasury.~~

29 (ii) To a city of the second class A hosting a
30 licensed facility, other than a Category 3 licensed

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

24 (iii) To a city of the third class hosting a
25 licensed facility, other than a Category 3 licensed
26 facility, [2% of the gross terminal revenue or]
27 \$10,000,000 annually[, whichever is greater, shall be
28 paid by each licensed gaming entity operating a licensed
29 facility located in that city,] less any amount up to
30 \$5,000,000 received pursuant to a written agreement with

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

1 this subparagraph, the department shall collect the
2 remainder of the minimum amount of \$10,000,000 from each
3 licensed gaming entity operating a facility, pay any
4 balance due to the city of the third class and transfer
5 any remainder in accordance with paragraph (2).]

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

25 (iv) To a township of the first class hosting a
26 licensed facility, other than a Category 3 licensed
27 facility, [2% of the gross terminal revenue or]
28 \$10,000,000 annually[, whichever is greater, shall be
29 paid by each licensed gaming entity operating a licensed
30 facility located in the township] shall be distributed to

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

20 (v) To a township of the second class hosting a
21 licensed facility:

22 (A) [2% of the gross terminal revenue or]
23 \$10,000,000 annually[, whichever is greater, shall be
24 paid by each licensed gaming entity operating a
25 licensed facility, other than a Category 3 licensed
26 facility or a licensed facility owning land adjacent
27 to the licensed facility located in more than one
28 township of the second class,] shall be distributed
29 to the township of the second class hosting [the] a
30 licensed facility, other than a Category 3 licensed

1 facility or a licensed facility located in more than
2 one township of the second class, subject, however,
3 to the budgetary limitation in this subparagraph. The
4 amount allocated to the designated municipalities
5 shall not exceed 50% of their total budget for fiscal
6 year 2003-2004, adjusted for inflation in subsequent
7 years by an amount not to exceed an annual cost-of-
8 living adjustment calculated by applying the
9 percentage change in the Consumer Price Index
10 immediately prior to the date the adjustment is due
11 to take effect. Any remaining money shall be
12 [collected by the department from each licensed
13 gaming entity and] distributed in accordance with
14 paragraph (2) based upon the classification of county
15 where the licensed facility is located. [If revenues
16 generated by the 2% do not meet the \$10,000,000
17 minimum specified in this subparagraph, the
18 department shall collect the remainder of the minimum
19 amount of \$10,000,000 from each licensed gaming
20 entity operating a licensed facility in the township,
21 pay any balance due to the township and transfer any
22 remainder in accordance with paragraph (2).]

23 (B) [2% of the gross terminal revenue or]
24 \$10,000,000 annually[, whichever is greater,] less
25 the amount paid under clause (C), shall be [paid by
26 each licensed gaming entity operating a licensed
27 facility and owning land adjacent to the licensed
28 facility located in more than one township of the
29 second class, other than a Category 3 licensed
30 facility,] distributed to the township of the second

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

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

5 (C) [\$160,000 annually shall be paid by each
6 licensed gaming entity operating a licensed facility
7 and owning land adjacent to the licensed facility
8 located in more than one township of the second
9 class, other than a Category 3 licensed facility, to
10 the township of the second class that is located in a
11 county of the fifth class in which the adjacent land
12 is located, including racetracks, grazing fields or
13 any other adjoining real property.] For land owned by
14 a licensed gaming entity, other than a Category 3
15 licensed facility, and located in more than one
16 township of the second class: \$160,000 shall be
17 distributed annually to the township of the second
18 class which is located in a county of the fifth class
19 if the land owned, including racetracks, grazing
20 fields and other adjoining real property, is adjacent
21 to the licensed facility.

22 (vi) To a borough hosting a licensed facility, other
23 than a Category 3 licensed facility, [2% of the gross
24 terminal revenue or] \$10,000,000 annually[, whichever is
25 greater, shall be paid by each licensed gaming entity
26 operating a licensed facility located in that borough,]
27 shall be distributed to the borough, subject, however, to
28 the budgetary limitation in this subparagraph. The amount
29 allocated to the designated municipalities shall not
30 exceed 50% of their total budget for fiscal year 2003-

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

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

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

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

29 (B) If the municipality hosting a Category 3
30 licensed facility is a borough located in a county of

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

19 (C) If the municipality hosting a Category 3
20 licensed facility is a township of the second class
21 in a county of the fifth class which is contiguous to
22 a county of the seventh class, 2% of the gross
23 terminal revenue from the Category 3 licensed
24 facility located in the municipality shall be
25 distributed to the municipality, subject, however, to
26 the budgetary limitation in this clause. The amount
27 allocated to the designated municipalities shall not
28 exceed the lesser of \$1,000,000 or 50% of their total
29 budget for fiscal year 2009, adjusted for inflation
30 in subsequent years by an amount not to exceed an

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

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

26 (x) If the licensed facility is located in more than
27 one municipality, the amount available shall be
28 distributed on a pro rata basis determined by the
29 percentage of acreage located in each municipality to the
30 total acreage of all municipalities occupied by the

1 licensed facility.

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

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

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

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

25 (xv) Notwithstanding any other law, agreement or
26 provision in this part to the contrary, all revenues
27 provided, directed or earmarked under this section to or
28 for the benefit of a city of the second class in which an
29 intergovernmental cooperation authority has been
30 established and is in existence pursuant to the act of

1 February 12, 2004 (P.L.73, No.11), known as the
2 Intergovernmental Cooperation Authority Act for Cities of
3 the Second Class, shall be directed to and under the
4 exclusive control of such intergovernmental cooperation
5 authority to be used:

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

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

9 (C) for any other purposes as determined to be
10 in the best interest of the second class city by such
11 intergovernmental cooperation authority. Such
12 revenues shall not be directed to or under the
13 control of such city of the second class or any
14 coordinator appointed pursuant to the act of July 10,
15 1987 (P.L.246, No.47), known as the Municipalities
16 Financial Recovery Act, for such city of the second
17 class.]

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

22 (i) Except as provided in subparagraph (ii) or
23 (iii), to a municipality of any class hosting a Category
24 3 facility, 2% of the gross terminal revenue from the
25 Category 3 licensed facility located in the municipality,
26 subject, however, to the budgetary limitation in this
27 subparagraph. The amount allocated to the designated
28 municipalities shall not exceed 50% of their total budget
29 for fiscal year 2009, adjusted for inflation in
30 subsequent years by an amount not to exceed an annual

1 cost-of-living adjustment calculated by applying the
2 percentage change in the Consumer Price Index immediately
3 prior to the date the adjustment is due to take effect.
4 Any remaining money shall be collected by the department
5 from each licensed gaming entity and distributed in
6 accordance with paragraph (2) based upon the
7 classification of county where the licensed facility is
8 located.

9 (ii) If the municipality hosting a Category 3
10 licensed facility is a borough located in a county of the
11 third class and the borough is contiguous to a city of
12 the third class, 1% of gross terminal revenue shall be
13 distributed to the host borough and 1% of gross terminal
14 revenue shall be distributed to the city of the third
15 class that is contiguous to the host borough, subject,
16 however, to the budgetary limitation in this
17 subparagraph. The amount allocated to each designated
18 municipality shall not exceed 50% of its total budget for
19 fiscal year 2009, adjusted for inflation in subsequent
20 years by an amount not to exceed an annual cost-of-living
21 adjustment calculated by applying the percentage
22 increase, if any, 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.

29 (iii) If the municipality hosting a Category 3
30 licensed facility is a township of the second class in a

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

30 (5) From the slot machine operation fees deposited in

1 the fund under section 1326.1(d), make quarterly
2 distributions to any municipality not specifically enumerated
3 in paragraph (3) or (4) hosting a Category 1 licensed <--
4 facility or a Category 2 licensed facility, OTHER THAN A <--
5 CATEGORY 1 OR CATEGORY 2 LICENSED FACILITY LOCATED IN A CITY
6 OF THE FIRST CLASS, equal to \$10,000,000 annually.

7 (6) From the local share assessment established in
8 subsection (b), make quarterly distributions to any
9 municipality not enumerated in paragraph (3) or (4) hosting a
10 Category 3 licensed facility: 2% of the gross terminal
11 revenue paid by each licensed gaming entity operating a
12 Category 3 licensed facility.

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

18 (8) If a licensed facility is located at a resort which
19 is also an incorporated municipality, the municipality shall
20 not be eligible to receive any distribution under paragraph
21 (3), (4), (5) or (6). The distribution it would have
22 otherwise been entitled to under paragraph (3), (4), (5) or
23 (6) shall instead be distributed in accordance with paragraph
24 (2) based upon the classification of county where the
25 licensed facility is located.

26 (9) The distributions provided in paragraph (3), (4),
27 (5) or (6) shall be based upon municipal classifications in
28 effect on July 5, 2004. For the purposes of paragraphs (3),
29 (4), (5) and (6), any reclassification of municipalities as a
30 result of a Federal decennial census or of a State statute

1 shall not apply to paragraphs (3), (4), (5) and (6).

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

6 (11) Nothing in paragraph (3), (4), (5) or (6) shall be
7 construed to prevent any of the above municipalities from
8 entering into intergovernmental cooperative agreements with
9 other jurisdictions for sharing the funds distributed to
10 them.

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

21 (i) to reduce the debt of the city of the second
22 class;

23 (ii) to increase the level of funding of the
24 municipal pension funds of the city of the second class;
25 or

26 (iii) for any other purposes as determined to be in
27 the best interest of the city of the second class by the
28 intergovernmental cooperation authority. The revenues
29 shall not be directed to or under the control of the city
30 of the second class or any coordinator appointed under

1 the act of July 10, 1987 (P.L.246, No.47), known as the
2 Municipalities Financial Recovery Act, for the city of
3 the second class.

4 * * *

5 (e) Reporting.--

6 (1) In cooperation with the department and the
7 Commonwealth Financing Authority, the Department of Community
8 and Economic Development shall submit an annual report on all
9 distributions of local share assessments and slot machine
10 license operation fees to counties and municipalities under
11 this section to the chairman and minority chairman of the
12 Appropriations Committee of the Senate, the chairman and
13 minority chairman of the Community, Economic and Recreational
14 Development Committee of the Senate, the chairman and
15 minority chairman of the Appropriations Committee of the
16 House of Representatives and the chairman and minority
17 chairman of the Gaming Oversight Committee of the House of
18 Representatives. The report shall be submitted by [August 31,
19 2010] March 31, 2018, and by [August] March 31 of each year
20 thereafter.

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

1 * * *

2 Section 8. Section 1518(a)(5) of Title 4 is amended to read:
3 § 1518. Prohibited acts; penalties.

4 (a) Criminal offenses.--

5 * * *

6 (5) Except as provided for in section 1326 (relating to
7 [license] renewals), it shall be unlawful for a licensed
8 entity or other person to manufacture, supply, operate, carry
9 on or expose for play any slot machine, table game, table
10 game device or associated equipment after the person's
11 license has expired and prior to the actual renewal of the
12 license.

13 * * *

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

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

19 (i) 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iii.1),
20 (iv), (v), (vi) and (vii) and 4(i) and (ii), formerly (3)
21 (viii)(A) and (B), as those provisions were in existence
22 prior to the effective date of the amendment of 4 Pa.C.S.
23 § 1403; or

24 (ii) any written agreement between a municipality
25 and a licensed gaming entity required to make payments
26 under 4 Pa.C.S. § 1326.1 entered into prior to the
27 effective date of this section that relates to the
28 payments required under 4 Pa.C.S. § 1403(c)(3)(i), (ii),
29 (iii), (iii.1), (iv), (v), (vi) and (vii) and 4(i) and
30 (ii), formerly (3)(viii)(A) and (B), as those provisions

1 existed prior to the effective date of the amendment of 4
2 Pa.C.S. § 1403; and
3 (2) commence the payments due under this section the
4 first day of the first calendar month following the effective
5 date of this section.
6 Section 10. This act shall take effect immediately.