

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 704 Session of 2017

INTRODUCED BY COSTA, HUGHES, BLAKE, FONTANA, BOSCOLA, YUDICHAK
AND VULAKOVICH, MAY 8, 2017

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MAY 8, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in licensees, providing for slot machine license
3 operation fee; in table games, further providing for local
4 share assessment; in revenues, further providing for
5 establishment of State Gaming Fund and net slot machine
6 revenue distribution; and making a related repeal.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Title 4 of the Pennsylvania Consolidated Statutes
10 is amended by adding a section to read:

11 § 1326.1. Slot machine license operation fee.

12 (a) Imposition.--Beginning January 1, 2017, the board shall
13 impose an annual slot machine license operation fee on each
14 Category 1 and Category 2 licensed gaming entity, other than a
15 Category 1 or Category 2 licensed gaming entity operating in a
16 county of the first class, 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). The slot machine
19 license operation fee shall be paid by each Category 1 and

1 Category 2 licensed gaming entity, other than a Category 1 or
2 Category 2 licensed gaming entity operating in a county of the
3 first class, in equal installments on a monthly basis.

4 (b) Payment of fee.--The slot machine license operation fee
5 imposed under subsection (a) shall be paid on or before the
6 first day of each month.

7 (c) Failure to pay.--The board may at the board's discretion
8 suspend, revoke or deny any permit or license issued under this
9 part if a Category 1 or Category 2 licensed gaming entity, other
10 than a Category 1 or Category 2 licensed gaming entity operating
11 in a county of the first class, fails to pay the slot machine
12 license operation fee imposed under subsection (a).

13 (d) Deposit of slot machine license operation fee.--The
14 total amount of all license operation fees imposed and collected
15 by the board under this section shall be deposited in the fund
16 and shall be appropriated to the department on a continuing
17 basis for the purposes under section 1403(c)(3) (relating to
18 establishment of State Gaming Fund and net slot machine revenue
19 distribution).

20 Section 2. Section 13A63(b)(3)(iii)(A) and (C) and (4) of
21 Title 4 are amended to read:

22 § 13A63. Local share assessment.

23 * * *

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

30 * * *

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

4 * * *

5 (iii) A county of the third class where a city of
6 the third class hosting the licensed facility is located
7 in two counties of the third class: 50% of the licensed
8 facility's local share assessment shall be distributed as
9 follows:

10 (A) Sixty percent to the county in which the
11 licensed facility is located, which shall be
12 deposited into a restricted receipts account to be
13 established in the Commonwealth Financing Authority
14 to be used exclusively for economic development
15 projects, community improvement projects and other
16 projects in the public interest within the county.

17 * * *

18 (C) Twenty percent to the nonhost county in
19 which the host city is located, of which 50% shall be
20 deposited into a restricted receipts account to be
21 established in the Commonwealth Financing Authority
22 to be used [solely] exclusively for grants to
23 municipalities [that are contiguous to the host city]
24 within the nonhost county for economic development
25 projects, community improvement projects and other
26 projects in the public interest.

27 * * *

28 (4) The following apply:

29 (i) If the facility is a Category 3 licensed
30 facility located in a county of the second class A: 50%

1 of the licensed facility's local share assessment shall
2 be [deposited into a restricted receipts account to be
3 established in the Commonwealth Financing Authority to be
4 used exclusively for grants or guarantees for projects in
5 the county that qualify under 64 Pa.C.S. §§ 1551
6 (relating to Business in Our Sites Program), 1556
7 (relating to Tax Increment Financing Guarantee Program)
8 and 1558 (relating to Water Supply and Waste Water
9 Infrastructure Program).] distributed as follows:

10 (A) Seventy-five percent shall be distributed to
11 the county hosting the licensed facility from each
12 such licensed facility for the purpose of supporting
13 the maintenance and refurbishment of the Parks and
14 Heritage sites throughout the county in which the
15 licensee is located.

16 (B) Twelve and one-half percent shall be
17 distributed to the county hosting the licensed
18 facility from each such licensed facility for the
19 purpose of supporting a child advocacy center located
20 within the county in which the licensee is located.

21 (C) Twelve and one-half percent shall be
22 distributed to the county hosting the licensed
23 facility from each such licensed facility for the
24 purpose of supporting an organization providing
25 comprehensive support services to victims of domestic
26 violence, including legal and medical aid, shelters,
27 transitional housing and counseling, located within
28 the county in which the licensee is located.

29 (ii) Except as provided in subparagraph (i), if the
30 facility is a Category 3 licensed facility in a county of

1 any class: 50% of the licensed facility's local share
2 assessment shall be added to the funds in the restricted
3 receipts account established under section 1403(c)(2)(iv)
4 for distribution with those funds.

5 * * *

6 Section 3. Section 1403 of Title 4 is amended to read:

7 § 1403. Establishment of State Gaming Fund and net slot machine
8 revenue distribution.

9 (a) Fund established.--There is hereby established the State
10 Gaming Fund within the State Treasury.

11 (b) Slot machine tax.--The department shall determine and
12 each slot machine licensee shall pay a daily tax of 34% from its
13 daily gross terminal revenue from the slot machines in operation
14 at its facility and a local share assessment as provided in
15 subsection (c). All funds owed to the Commonwealth, a county or
16 a municipality under this section shall be held in trust by the
17 licensed gaming entity for the Commonwealth, the county and the
18 municipality until the funds are paid or transferred to the
19 fund. Unless otherwise agreed to by the board, a licensed gaming
20 entity shall establish a separate bank account to maintain
21 gross terminal revenue until such time as the funds are paid or
22 transferred under this section. Moneys in the fund are hereby
23 appropriated to the department on a continuing basis for the
24 purposes set forth in subsection (c).

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

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

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

1 following schedule:

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

6 (A) A county of the first class: 4% of the
7 gross terminal revenue to the county hosting the
8 licensed facility from each such licensed facility.
9 Notwithstanding any other provision to the contrary,
10 funds from licensed gaming entities located within a
11 county of the first class shall not be distributed
12 outside of a county of the first class.

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

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

23 (D) (I) A county of the third class: Except as
24 provided in subclause (II), 2% of the gross
25 terminal revenue from each such licensed facility
26 shall be deposited into a restricted receipts
27 account to be established in the Commonwealth
28 Financing Authority to be used exclusively for
29 grants for projects in the public interest to
30 municipalities within the county where the

1 licensed facility is located.

2 (I.1) Priority shall be given to multiyear
3 projects approved or awarded by the Department of
4 Community and Economic Development under
5 subclause (I) on or before the effective date of
6 this subclause.

7 (I.2) In addition to municipalities that are
8 eligible to receive grant funding under subclause
9 (I), a county redevelopment authority within the
10 county shall also be eligible to receive grant
11 funding to be used exclusively for economic
12 development projects or infrastructure. A county
13 redevelopment authority shall not be eligible to
14 receive more than 10% of the total grant funds
15 awarded.

16 (I.3) Notwithstanding the act of February 9,
17 1999 (P.L.1, No.1), known as the Capital
18 Facilities Debt Enabling Act, grants made under
19 subclause (I) may be utilized as local matching
20 funds for other grants or loans from the
21 Commonwealth.

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

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

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

19 (I) The department shall make distributions
20 directly to each municipality within the county,
21 except the host municipality, by using a formula
22 equal to the sum of \$25,000 plus \$10 per resident
23 of the municipality using the most recent
24 population figures provided by the Department of
25 Community and Economic Development, provided,
26 however, that the amount so distributed to any
27 municipality shall not exceed 50% of its total
28 budget for fiscal year 2009 or 2013, whichever is
29 greater, adjusted for inflation in subsequent
30 fiscal years by an amount not to exceed an annual

1 cost-of-living adjustment calculated by applying
2 any upward percentage change in the Consumer
3 Price Index immediately prior to the date the
4 adjustment is due to take effect. Distributions
5 to a municipality in accordance with this
6 subclause shall be deposited into a special fund
7 which shall be established by the municipality.
8 The governing body of the municipality shall have
9 the right to draw upon the special fund for any
10 lawful purpose provided that the municipality
11 identifies the fund as the source of the
12 expenditure. Each municipality shall annually
13 submit a report to the Department of Community
14 and Economic Development detailing the amount and
15 purpose of each expenditure made from the special
16 fund during the prior fiscal year.

17 (II) Any funds not distributed under
18 subclause (I) shall be deposited into a
19 restricted receipts account established in the
20 Department of Community and Economic Development
21 to be used exclusively for grants to the county,
22 to economic development authorities or
23 redevelopment authorities within the county for
24 grants for economic development projects,
25 infrastructure projects, job training, community
26 improvement projects, other projects in the
27 public interest, and necessary and reasonable
28 administrative costs. Notwithstanding the
29 provisions of [the act of February 9, 1999
30 (P.L.1, No.1), known as] the Capital Facilities

1 Debt Enabling Act, grants made under this clause
2 may be utilized as local matching funds for other
3 grants or loans from the Commonwealth.

4 (F) Counties of the fifth through eighth
5 classes:

6 (I) Except as set forth in subclause (II),
7 2% of the gross terminal revenue from each such
8 licensed facility shall be deposited into a
9 restricted account established in the Department
10 of Community and Economic Development to be used
11 exclusively for grants to the county.

12 (II) If the licensed facility is located in
13 a second class township in a county of the fifth
14 class, 2% of the gross terminal revenue from the
15 licensed facility shall be distributed as
16 follows:

17 (a) 1% shall be deposited into a
18 restricted receipts account to be established
19 in the Commonwealth Financing Authority to be
20 used exclusively for grants for projects in
21 the public interest to municipalities within
22 the county where the licensed facility is
23 located.

24 (b) 1% shall be distributed to the county
25 for projects in the public interest in the
26 county.

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

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

5 (A) A county of the first class: 4% 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
10 the county of the first class shall not be
11 distributed outside of a county of the first class.

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

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

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

29 Notwithstanding the provisions of the Capital
30 Facilities Debt Enabling Act, grants made under this

1 clause may be utilized as local matching funds for
2 other grants or loans from the Commonwealth.

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

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

23 (G) Any county not specifically enumerated in
24 clauses (A) through (F), 2% of the gross terminal
25 revenue to the county hosting the licensed facility
26 from each such licensed facility.

27 (iii) If the facility is a Category 2 licensed
28 facility and if the county in which the licensed facility
29 is located is:

30 (A) A county of the first class: 4% of the

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

11 (B) A county of the second class: 2% of the
12 gross terminal revenue to the county hosting the
13 licensed facility from each such licensed facility.

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

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

28 (D.1) If a licensed facility is located in one
29 of two counties of the third class where a city of
30 the third class is located in both counties of the

1 third class, the county in which the licensed
2 facility is located shall receive 1.2% of the gross
3 terminal revenue to be distributed as follows: 20%
4 to the host city, 30% to the host county and 50%,
5 which shall be deposited into a restricted receipts
6 account to be established in the Commonwealth
7 Financing Authority to be used exclusively for
8 economic development projects, community improvement
9 projects and other projects in the public interest
10 within the county, to the host county [for the
11 purpose of making municipal grants within the
12 county], with priority given to municipalities
13 contiguous to the host city. The county of the third
14 class, which includes a city of the third class that
15 is located in two counties of the third class and is
16 not the host county for the licensed facility, shall
17 receive .8% of the gross terminal revenue to be
18 distributed as follows: 60% to a nonhost city of the
19 third class located solely in the nonhost county in
20 which the host city of the third class is also
21 located or 60% to the nonhost city of the third class
22 located both in the host and nonhost counties of the
23 third class, 35% to the nonhost county and 5%,
24 which shall be deposited into a restricted receipts account
25 to be established in the Commonwealth Financing
26 Authority to be used exclusively for economic
27 development projects, community improvement projects
28 and other projects in the public interest within the
29 county, to the nonhost county [for the purpose of
30 making municipal grants within the county].

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

15 (F) Counties of the fifth class: 2% of the
16 gross terminal revenue from each such licensed
17 facility shall be deposited and distributed as
18 follows:

19 (I) One percent to be distributed as
20 follows:

21 (a) Beginning in 2010, the sum of
22 \$2,400,000 annually for a period of 20 years
23 to the county for purposes of funding debt
24 service related to the construction of a
25 community college campus located within the
26 county.

27 (b) Any funds not distributed under
28 subclause (a) shall be deposited into a
29 restricted receipts account to be established
30 in the Commonwealth Financing Authority to be

1 used exclusively for grants within the county
2 for economic development projects, road
3 projects located within a 20-mile radius of
4 the licensed facility and located within the
5 county, community improvement projects and
6 other projects in the public interest within
7 the county. The amount under this subclause
8 includes reasonable administrative costs.

9 (II) One percent shall be deposited into a
10 restricted receipts account to be established in
11 the Commonwealth Financing Authority to be used
12 exclusively for grants within contiguous counties
13 for economic development projects, community
14 improvement projects and other projects in the
15 public interest within contiguous counties. The
16 amount under this subclause includes reasonable
17 administrative costs. A contiguous county that
18 hosts a Category 1 licensed facility shall be
19 ineligible to receive grants under this
20 subclause.

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

26 (III) Fifty percent of any revenue required
27 to be transferred under paragraph (3) (v) shall be
28 deposited into the restricted receipts account
29 established under subclause (I) (b), and 50% shall
30 be deposited into the restricted receipts account

1 established under subclause (II). Notwithstanding
2 the Capital Facilities Debt Enabling Act, grants
3 made under this clause may be utilized as local
4 matching funds for other grants or loans from the
5 Commonwealth.

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

10 (iv) (A) Except as provided in clause (B) or (C),
11 if the facility is a Category 3 licensed facility, 2%
12 of the gross terminal revenue from the licensed
13 facility shall be deposited into a restricted
14 receipts account established in the Department of
15 Community and Economic Development to be used
16 exclusively for grants to the county, to economic
17 development authorities or redevelopment authorities
18 within the county for grants for economic development
19 projects, community improvement projects and other
20 projects in the public interest.

21 (B) If the facility is a Category 3 licensed
22 facility located in a county of the second class A,
23 2% of the gross terminal revenue [from the licensed
24 facility shall be deposited into a restricted
25 receipts account to be established in the
26 Commonwealth Financing Authority to be used
27 exclusively for grants or guarantees for projects in
28 the host county that qualify under 64 Pa.C.S. §§ 1551
29 (relating to Business in Our Sites Program), 1556
30 (relating to Tax Increment Financing Guarantee

1 Program) and 1558 (relating to Water Supply and
2 Wastewater Infrastructure Program).] to the county
3 hosting the licensed facility from each such licensed
4 facility shall be deposited as follows:

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

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

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

22 (C) If the facility is a Category 3 licensed
23 facility located in a county of the fifth class that
24 is contiguous to a county of the seventh class, 2% of
25 the gross terminal revenue from the licensed facility
26 shall be deposited into a restricted receipts account
27 to be established in the Commonwealth Financing
28 Authority to be used exclusively for grants within
29 the county for economic development projects,
30 infrastructure projects, community improvement

1 projects and other projects in the public interest
2 within the county and for infrastructure projects
3 within a 20-mile radius of the licensed facility in a
4 contiguous county of the seventh class.

5 (v) Unless otherwise specified, for the purposes of
6 this paragraph money designated for municipal grants
7 within a county, other than a county of the first class,
8 in which a licensed facility is located shall be used to
9 fund grants to the municipality in which the licensed
10 facility is located, to the county in which the licensed
11 facility is located and to the municipalities which are
12 contiguous to the municipality in which the licensed
13 facility is located and which are located within the
14 county in which the licensed facility is located. Grants
15 shall be administered by the county through its economic
16 development or redevelopment authority in which the
17 licensed facility is located. Grants shall be used to
18 fund the costs of human services, infrastructure
19 improvements, facilities, emergency services, health and
20 public safety expenses associated with licensed facility
21 operations. If at the end of a fiscal year uncommitted
22 funds exist, the county shall pay to the economic
23 development or redevelopment authority of the county in
24 which the licensed facility is located the uncommitted
25 funds.

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

1 facility.

2 (vii) The distributions provided in this paragraph
3 shall be based upon county classifications in effect on
4 the effective date of this section. Any reclassification
5 of counties as a result of a Federal decennial census or
6 of a State statute shall not apply to this subparagraph.

7 (viii) If any provision of this paragraph is found
8 to be unenforceable for any reason, the distribution
9 provided for in the unenforceable provision shall be made
10 to the county in which the licensed facility is located
11 for the purposes of grants to municipalities in that
12 county, including municipal grants as specified in
13 subparagraph (v).

14 (ix) Nothing in this paragraph shall prevent any of
15 the above counties which directly receive a distribution
16 under this section from entering into intergovernmental
17 cooperative agreements with other jurisdictions for
18 sharing this money.

19 (3) From the local share assessment established in
20 subsection (b) and the slot machine operation fees imposed
21 under section 1326.1 (relating to slot machine license
22 operation fee) and deposited under section 1326.1(d), make
23 quarterly distributions among the municipalities, including
24 home rule municipalities, hosting a licensed facility in
25 accordance with the following schedule:

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

1 In the event that the revenues generated by the 2% do not
2 meet the \$10,000,000 minimum specified in this
3 subparagraph, the department shall collect the remainder
4 of the minimum amount of \$10,000,000 from each licensed
5 gaming entity operating a facility in the city and
6 deposit that amount in the city treasury] shall be
7 distributed to the city treasury.

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

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

4 (iii) To a city of the third class hosting a
5 licensed facility, other than a Category 3 licensed
6 facility, [2% of the gross terminal revenue or
7 \$10,000,000 annually, whichever is greater, shall be paid
8 by each licensed gaming entity operating a licensed
9 facility located in that city] \$10,000,000 annually, less
10 any amount up to \$5,000,000 received pursuant to a
11 written agreement with a licensed gaming entity executed
12 prior to the effective date of this part, shall be
13 distributed to the city, subject, however, to the
14 budgetary limitation in this subparagraph. In the event
15 that the city has a written agreement with a licensed
16 gaming entity executed prior to the effective date of
17 this part, the amount paid under the agreement to the
18 city shall be applied and credited [to the difference
19 between 2% of the gross terminal revenue and the
20 \$10,000,000 owed under this subparagraph if the 2% of the
21 gross terminal revenue is less than \$10,000,000. If 2% of
22 the gross terminal revenue is greater than the
23 \$10,000,000 required to be paid under this subparagraph,
24 the credit shall not apply. The amount of gross terminal
25 revenue required to be paid pursuant to the agreement
26 shall be deemed to be gross terminal revenue for purposes
27 of this subparagraph.], up to \$5,000,000, to the slot
28 machine license operation fee owed under section 1326.1.
29 The amount allocated to the designated municipalities
30 shall not exceed 50% of their total budget for fiscal

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

17 (iii.1) If a licensed facility is located in a city
18 of the third class and the city is located in more than
19 one county of the third class, [2% of the gross terminal
20 revenue or \$10,000,000 annually, whichever is greater,]
21 \$10,000,000 annually shall be distributed as follows:
22 80% to the host city and 20% to the city of the third
23 class located solely in a nonhost county in which the
24 host city of the third class is also located. If a
25 licensed facility is located in a city of the third class
26 and that city is located solely in a host county of the
27 third class in which a nonhost city of the third class is
28 also located[, 2% of gross terminal revenue or
29 \$10,000,000 annually, whichever is greater], \$10,000,000
30 annually shall be distributed as follows: 80% to the

1 host city and 20% to a city of the third class located
2 both in a nonhost county of the third class and in a host
3 county of the third class in which the host city of the
4 third class is located.

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

1 (v) To a township of the second class hosting a
2 licensed facility:

3 (A) [2% of the gross terminal revenue or
4 \$10,000,000 annually, whichever is greater, shall be
5 paid by each licensed gaming entity operating a
6 licensed facility, other than a Category 3 licensed
7 facility or a licensed facility owning land adjacent
8 to the licensed facility located in more than one
9 township of the second class,] \$10,000,000 annually
10 shall be distributed to the township of the second
11 class hosting [the] a licensed facility, other than a
12 Category 3 licensed facility or a licensed facility
13 located in more than one township of the second
14 class, subject, however, to the budgetary limitation
15 in this subparagraph. The amount allocated to the
16 designated municipalities shall not exceed 50% of
17 their total budget for fiscal year 2003-2004,
18 adjusted for inflation in subsequent years by an
19 amount not to exceed an annual cost-of-living
20 adjustment calculated by applying the percentage
21 change in the Consumer Price Index immediately prior
22 to the date the adjustment is due to take effect. Any
23 remaining money shall be [collected by the department
24 from each licensed gaming entity and] distributed in
25 accordance with paragraph (2) based upon the
26 classification of county where the licensed facility
27 is located. [If 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 (B) [2% of the gross terminal revenue or
6 \$10,000,000 annually, whichever is greater,]
7 \$10,000,000 annually, less the amount paid under
8 clause (C), shall be [paid by each licensed gaming
9 entity operating a licensed facility and owning land
10 adjacent to the licensed facility located in more
11 than one township of the second class, other than a
12 Category 3 licensed facility,] distributed to the
13 township of the second class hosting [the] a licensed
14 facility which owns land adjacent to the licensed
15 facility located in more than one township of the
16 second class, other than a Category 3 licensed
17 facility, subject, however, to the budgetary
18 limitation in this subparagraph. The amount allocated
19 to the designated municipalities may not exceed 50%
20 of their total budget for the fiscal year 2003-2004,
21 adjusted for inflation in subsequent years by an
22 amount not to exceed an annual cost-of-living
23 adjustment calculated by applying the percentage
24 change in the Consumer Price Index immediately prior
25 to the date the adjustment is due to take effect. Any
26 remaining money shall be [collected by the department
27 from each licensed gaming entity and] distributed in
28 accordance with paragraph (2) based upon the
29 classification of the county where the licensed
30 facility is located. The county commissioners of a

1 county of the third class in which the licensed
2 facility is located shall appoint an advisory
3 committee for the purpose of advising the county as
4 to the need for municipal grants for health, safety,
5 transportation and other projects in the public
6 interest to be comprised of two individuals from the
7 host municipality, two from contiguous municipalities
8 within the county of the third class and one from the
9 host county. [In the event that the revenues
10 generated by the 2% do not meet the \$10,000,000
11 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
14 entity operating a licensed facility in the township,
15 pay any balance due to the township and transfer any
16 remainder in accordance with paragraph (2).]

17 (C) [\$160,000 annually shall be paid by each
18 licensed gaming entity operating a licensed facility
19 and owning land adjacent to the licensed facility
20 located in more than one township of the second
21 class, other than a Category 3 licensed facility, to
22 the township of the second class that is located in a
23 county of the fifth class in which the adjacent land
24 is located, including racetracks, grazing fields or
25 any other adjoining real property.] For land owned by
26 a licensed gaming entity, other than a Category 3
27 licensed facility, and located in more than one
28 township of the second class: \$160,000 shall be
29 distributed annually to the township of the second
30 class which is located in a county of the fifth class

1 if the land owned, including racetracks, grazing
2 fields and other adjoining real property, is adjacent
3 to the licensed facility.

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

29 (vii) To an incorporated town hosting a licensed
30 facility, other than a Category 3 licensed facility, [2%

1 of the gross terminal revenue or \$10,000,000 annually,
2 whichever is greater, shall be paid by each licensed
3 entity operating a licensed facility located in the
4 town,] \$10,000,000 annually shall be distributed to the
5 incorporated town, subject, however, to the budgetary
6 limitation in this subparagraph. The amount allocated to
7 the designated municipalities shall not exceed 50% of
8 their total budget for fiscal year 2003-2004, adjusted
9 for inflation in subsequent years by an amount not to
10 exceed 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 money 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 licensed facility in
22 the incorporated town, pay any balance due to the town
23 and transfer any remainder in accordance with paragraph
24 (2).]

25 (viii) (A) Except as provided in clause (B) or (C),
26 to a municipality of any class hosting a Category 3
27 facility, 2% of the gross terminal revenue from the
28 Category 3 licensed facility located in the
29 municipality, subject, however, to the budgetary
30 limitation in this clause. The amount allocated to

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

1 county where the licensed facility is located.

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

1 collected by the department and distributed in
2 accordance with paragraph (2) based upon the
3 classification of county where the licensed facility
4 is located.

5 (ix) [Any municipality not specifically enumerated
6 in subparagraphs (i) through (viii),] To any
7 municipality, except for a city of the first class, not
8 specifically enumerated in subparagraphs (i), (ii),
9 (iii), (iii.1), (iv), (v), (vi), (vii) and (viii) hosting
10 a licensed facility, other than a Category 3 licensed
11 facility, \$10,000,000 annually shall be distributed to
12 the host municipality. To any municipality not enumerated
13 in subparagraphs (i), (ii), (iii), (iii.1), (iv), (v),
14 (vi), (vii) and (viii) hosting a Category 3 licensed
15 facility, 2% of the gross terminal revenue to the
16 municipality hosting the Category 3 licensed facility
17 from each such Category 3 licensed facility.

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

24 (xi) If the licensed facility is located at a resort
25 which is also an incorporated municipality, such
26 municipality shall not be eligible to receive any
27 distribution under this paragraph. The distribution it
28 would have otherwise been entitled to under this
29 paragraph shall instead be distributed in accordance with
30 paragraph (2) based upon the county where the licensed

1 facility is located.

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

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

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

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

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

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

30 municipal pension funds of the second class city; or

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

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

16 (e) Reporting.--

17 (1) In cooperation with the department and the
18 Commonwealth Financing Authority, the Department of Community
19 and Economic Development shall submit an annual report on all
20 distributions of local share assessments and slot machine
21 license operation fees to counties and municipalities under
22 this section to the chairman and minority chairman of the
23 Appropriations Committee of the Senate, the chairman and
24 minority chairman of the Community, Economic and Recreational
25 Development Committee of the Senate, the chairman and
26 minority chairman of the Appropriations Committee of the
27 House of Representatives and the chairman and minority
28 chairman of the Gaming Oversight Committee of the House of
29 Representatives. The report shall be submitted by [August 31,
30 2010] March 31, 2018, and by [August] March 31 of each year

1 thereafter.

2 (2) All counties and municipalities receiving
3 distributions of local share assessments or slot machine
4 license operation fees under this section shall submit
5 information to the Department of Community and Economic
6 Development on a form prepared by the Department of Community
7 and Economic Development that sets forth the amount and use
8 of the funds received in the prior calendar year. The form
9 shall set forth whether the funds received were deposited in
10 the county's or municipality's General Fund or committed to a
11 specific project or use.

12 (f) Prohibited activities.--

13 (1) A person or its affiliated entity or a political
14 subdivision shall not compensate or incur an obligation to
15 compensate a person to engage in lobbying for compensation
16 contingent in whole or in part upon the approval, award,
17 receipt or denial of funds under this section. A person or
18 its affiliated entity shall not engage in or agree to engage
19 in lobbying for compensation contingent in whole or in part
20 upon the approval, award, receipt or denial of funds under
21 this section. This subsection shall not apply to a county or
22 municipality that compensates a person to prepare a grant
23 application for funds under this section if the following
24 requirements are met:

25 (i) The person is not identified in the application.

26 (ii) The person has no direct contact with the
27 agency, county or municipality providing the funding.

28 (iii) The person is paid a fixed fee or percentage
29 of the amount of any funds approved, awarded or received
30 up to .5%.

1 (2) A violation of this section shall be considered an
2 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to
3 penalties).

4 Section 4. Repeals are as follows:

5 (1) The General Assembly declares that the repeal under
6 paragraph (2) is necessary to effectuate the addition of 4
7 Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).

8 (2) Section 1753-E of the act of April 9, 1929 (P.L.343,
9 No.176), known as The Fiscal Code, is repealed.

10 Section 5. This act shall take effect as follows:

11 (1) The following provisions shall take effect January
12 1, 2018:

13 (i) The addition of 4 Pa.C.S. § 1326.1.

14 (ii) The amendment of 4 Pa.C.S. § 13A63(b)(3)(iii)
15 (A) and (C).

16 (iii) The amendment of 4 Pa.C.S. § 1403.

17 (iv) Section 4 of this act.

18 (2) The remainder of this act shall take effect
19 immediately.