

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1342 Session of 2017

INTRODUCED BY SANTORA, DIAMOND AND MILLARD, MAY 5, 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, providing for slot
3 machine license operation fee; and, in revenues, further
4 providing for establishment of State Gaming Fund and net slot
5 machine revenue distribution.

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

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

10 § 1326.1. Slot machine license operation fee.

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

18 (b) Payment of fee.--The slot machine license operation fee
19 imposed under subsection (a) shall be paid in equal monthly

1 installments on or before the first day of each month.

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

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

15 Section 2. Section 1403(c)(2)(iii)(A) and (3) and (e) are
16 reenacted and amended and subsection (c) is amended by adding
17 paragraphs to read:

18 § 1403. Establishment of State Gaming Fund and net slot machine
19 revenue distribution.

20 * * *

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

22 * * *

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

27 * * *

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

1 (A) A county of the first class: ~~4%~~2% of the <--
2 gross terminal revenue to the county hosting the
3 licensed facility from each such licensed facility.
4 Notwithstanding any other provision to the contrary,
5 funds from licensed gaming entities located within a
6 county of the first class shall not be distributed
7 outside of a county of the first class. [The first <--
8 \$5,000,000] FIFTY PERCENT of the total amount <--
9 distributed annually to the county of the first class
10 OR \$5,000,000, WHICHEVER IS GREATER, shall be <--
11 distributed to the Philadelphia School District.

12 * * *

13 (3) From [the local share assessment established in
14 subsection (b)] the slot machine operation fees deposited
15 into the fund under section 1326.1(d) (relating to slot
16 machine license operation fee), make quarterly distributions
17 among the municipalities, including home rule municipalities,
18 hosting a licensed facility in accordance with the following
19 schedule:

20 [(i) To a city of the second class hosting a
21 licensed facility, other than a Category 3 licensed
22 facility, 2% of the gross terminal revenue or \$10,000,000
23 annually, whichever is greater, shall be paid by each
24 licensed gaming entity operating a facility located in
25 that city. In the event that the revenues generated by
26 the 2% do not meet the \$10,000,000 minimum specified in
27 this subparagraph, the department shall collect the
28 remainder of the minimum amount of \$10,000,000 from each
29 licensed gaming entity operating a facility in the city
30 and deposit that amount in the city treasury.]

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

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

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

1 licensed gaming entity operating a facility in the city,
2 pay any balance due to the city and transfer any
3 remainder in accordance with 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
8 paid by each licensed gaming entity operating a licensed
9 facility located in that city,] less any amount up to
10 \$5,000,000 received pursuant to a written agreement with
11 a licensed gaming entity executed prior to the effective
12 date of this part, shall be distributed to the city,
13 subject, however, to the budgetary limitation in this
14 subparagraph. In the event that the city has a written
15 agreement with a licensed gaming entity executed prior to
16 the effective date of this part, the amount paid under
17 the agreement to the city shall be applied and credited
18 [to the difference between 2% of the gross terminal
19 revenue and the \$10,000,000 owed under this subparagraph
20 if the 2% of the gross terminal revenue is less than
21 \$10,000,000. If 2% of the gross terminal revenue is
22 greater than the \$10,000,000 required to be paid under
23 this subparagraph, the credit shall not apply. The amount
24 of gross terminal revenue required to be paid pursuant to
25 the agreement shall be deemed to be gross terminal
26 revenue for purposes of this subparagraph.], up to
27 \$5,000,000, to the slot machine license operation fee
28 owed under section 1326.1. The amount allocated to the
29 designated municipalities shall not exceed 50% of their
30 total budget for fiscal year 2003-2004, adjusted for

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

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

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

30 (v) To a township of the second class hosting a

1 licensed facility:

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

1 pay any balance due to the township and transfer any
2 remainder in accordance with paragraph (2).]

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

1 advising the county as to the need for municipal
2 grants for health, safety, transportation and other
3 projects in the public interest to be comprised of
4 two individuals from the host municipality, two from
5 contiguous municipalities within the county of the
6 third class and one from the host county. [In the
7 event that the revenues generated by the 2% do not
8 meet the \$10,000,000 minimum specified in this
9 subparagraph, the department shall collect the
10 remainder of the minimum amount of \$10,000,000 from
11 each licensed gaming entity operating a licensed
12 facility in the township, pay any balance due to the
13 township and transfer any remainder in accordance
14 with paragraph (2).]

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

1 to the licensed facility.

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

27 (vii) To an incorporated town hosting a licensed
28 facility, other than a Category 3 licensed facility, [2%
29 of the gross terminal revenue or] \$10,000,000 annually[,
30 whichever is greater, shall be paid by each licensed

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

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

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

9 (B) If the municipality hosting a Category 3
10 licensed facility is a borough located in a county of
11 the third class and the borough is contiguous to a
12 city of the third class, 1% of gross terminal revenue
13 shall be distributed to the host borough and 1% of
14 gross terminal revenue shall be distributed to the
15 city of the third class that is contiguous to the
16 host borough, subject, however, to the budgetary
17 limitation in this clause. The amount allocated to
18 each designated municipality shall not exceed 50% of
19 its 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 increase, if any, in the
23 Consumer Price Index immediately prior to the date
24 the adjustment is due to take effect. Any remaining
25 money 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 (C) If the municipality hosting a Category 3
30 licensed facility is a township of the second class

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

1 is located.

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

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

12 (xi) If the licensed facility is located at a resort
13 which is also an incorporated municipality, such
14 municipality shall not be eligible to receive any
15 distribution under this paragraph. The distribution it
16 would have otherwise been entitled to under this
17 paragraph shall instead be distributed in accordance with
18 paragraph (2) based upon the county where the licensed
19 facility is located.

20 (xii) The distributions provided in this paragraph
21 shall be based upon municipal classifications in effect
22 on the effective date of this section. For the purposes
23 of this paragraph, any reclassification of municipalities
24 as a result of a Federal decennial census or of a State
25 statute shall not apply to this paragraph.

26 (xiii) If any provision of this paragraph is found
27 to be unenforceable for any reason, the distribution
28 provided for in such unenforceable provision shall be
29 made to the municipality in which the licensed facility
30 is located.

1 (xiv) Nothing in this paragraph shall prevent any of
2 the above municipalities from entering into
3 intergovernmental cooperative agreements with other
4 jurisdictions for sharing this money.

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

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

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

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

28 (4) From the local share assessment established in
29 subsection (b), make quarterly distributions among the
30 municipalities, including home rule municipalities, hosting a

1 licensed facility in accordance with the following schedule:

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

19 (ii) If the municipality hosting a Category 3
20 licensed facility is a borough located in a county of the
21 third class and the borough is contiguous to a city of
22 the third class, 1% of gross terminal revenue shall be
23 distributed to the host borough and 1% of gross terminal
24 revenue shall be distributed to the city of the third
25 class that is contiguous to the host borough, subject,
26 however, to the budgetary limitation in this
27 subparagraph. The amount allocated to each designated
28 municipality shall not exceed 50% of its total budget for
29 fiscal year 2009, adjusted for inflation in subsequent
30 years by an amount not to exceed an annual cost-of-living

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

1 not to exceed an annual cost-of-living adjustment
2 calculated by applying the percentage change in the
3 Consumer Price Index immediately prior to the date the
4 adjustment is due to take effect. Any money remaining
5 following distribution to contiguous municipalities shall
6 be collected by the department and distributed in
7 accordance with paragraph (2) based upon the
8 classification of county where the licensed facility is
9 located.

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

17 (6) From the local share assessment established in
18 subsection (b), make quarterly distributions to any
19 municipality not enumerated in paragraph (3) or (4) hosting a
20 Category 3 licensed facility: 2% of the gross terminal
21 revenue paid by each licensed gaming entity operating a
22 Category 3 licensed facility.

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

28 (8) If a licensed facility is located at a resort which
29 is also an incorporated municipality, the municipality shall
30 not be eligible to receive any distribution under paragraph

1 (3), (4), (5) or (6). The distribution it would have
2 otherwise been entitled to under paragraph (3), (4), (5) or
3 (6) shall instead be distributed in accordance with paragraph
4 (2) based upon the classification of county where the
5 licensed facility is located.

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

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

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

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

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

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

5 or

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

14 * * *

15 (e) Reporting.--

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

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

11 * * *

12 Section 3. Licensed gaming entities required to make
13 payments under 4 Pa.C.S. § 1326.1 shall:

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

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

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

1 (2) commence the payments due under this section the
2 first day of the first calendar month following the effective
3 date of this section.

4 Section 4. This act shall take effect immediately.