
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2427 Session of
2015

INTRODUCED BY ADOLPH, OCTOBER 24, 2016

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, OCTOBER 24, 2016

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in Pennsylvania Gaming Control Board, further
3 providing for slot machine license fee and for specific
4 authority to suspend slot machine license; in licensees,
5 further providing for change in ownership or control of slot
6 machine licensee; in table games, further providing for
7 condition of continued operation and for table game
8 authorization fee; and, in revenues, further providing for
9 establishment of State Gaming Fund and net slot machine
10 revenue distribution.

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

13 Section 1. Section 1209 of Title 4 of the Pennsylvania
14 Consolidated Statutes is amended to read:

15 § 1209. Slot machine license fee.

16 (a) Imposition.--Except as provided for a Category 3
17 licensed gaming entity under section 1305 (relating to Category
18 3 slot machine license) and subject to the requirements of this
19 section[, at the]:

20 (1) At the time of license issuance the board shall
21 impose [a one-time] an initial slot machine license fee to be
22 paid by each successful applicant for a conditional Category

1 1, a Category 1 or a Category 2 license in the amount of
2 \$50,000,000 [and deposited in the State Gaming Fund. No fee
3 shall be imposed by the board for a Category 1 license if the
4 applicant has paid a \$50,000,000 fee for a conditional
5 Category 1 license].

6 (2) Each year after the time of license issuance the
7 board shall impose an annual slot machine license fee to be
8 paid by each recipient of a conditional Category 1, a
9 Category 1 or a Category 2 license in the amount of
10 \$10,000,000.

11 (b) Term.--

12 (1) A slot machine license, after payment of the [fee]
13 initial slot machine license fee under subsection (a)(1) and
14 the annual slot machine license fee under subsection (a)(2),
15 shall be in effect unless suspended, revoked or not renewed
16 by the board upon good cause consistent with the license
17 requirements as provided for in this part. Slot machine
18 licensees shall be required to update the information in
19 their initial applications annually, and the license of a
20 licensee in good standing shall be renewed every three years.

21 (2) Nothing in this subsection shall relieve a licensee
22 of the affirmative duty to notify the board of any changes
23 relating to the status of its license or to any other
24 information contained in the application materials on file
25 with the board. [As to the renewal of a license, except as
26 required in subsection (f)(3), no additional license fee
27 pursuant to subsection (a) shall be required.]

28 (c) Credit against tax for slot machine licensees.--

29 (1) If the rate of the tax imposed by section 1403
30 (relating to establishment of State Gaming Fund and net slot

1 machine revenue distribution) is increased at any time during
2 the term of ten years following the initial issuance of the
3 slot machine license, the slot machine licensee shall be
4 entitled to a credit against subsequent payment of the tax
5 equal to the difference between the tax calculated at the
6 rate when the license was issued and the tax calculated at
7 the increased rate. This credit shall be applied on a dollar-
8 for-dollar basis as and when the tax is payable as set forth
9 in section 1403 but shall not extend beyond the ten-year
10 period following the initial issuance of the license. The
11 aggregate amount of all credits provided shall not exceed the
12 amount of the [licensing] initial slot machine license fee
13 paid by the licensee under subsection (a) (1).

14 (2) The department shall enter into a contract with each
15 slot machine licensee explicitly setting forth the terms and
16 conditions of this credit and which also specifically
17 incorporates the requirements of subsection (f).

18 (d) Deposit of slot machine license [fee] fees.--The total
19 amount of all initial slot machine license fees and annual slot
20 machine license fees imposed and collected by the board under
21 this section shall be deposited in the State Gaming Fund.

22 (e) Change of ownership or control of a license.--In the
23 event that the ownership or control of a slot machine licensee
24 or its affiliate, intermediary, subsidiary or holding company is
25 changed as described in section 1328 (relating to change in
26 ownership or control of slot machine licensee), the new owner
27 shall be entitled to the full remaining amount of the credit set
28 forth in subsection (c) or the return of the initial slot
29 machine license fee in accordance with subsection (f) as if the
30 new owner or controlling interest was the original licensee.

1 (f) Return of initial slot machine license fee.--

2 (1) The entire [one-time] initial slot machine license
3 fee [of \$50,000,000] under subsection (a)(1) for each
4 Category 1 and Category 2 slot machine license shall be
5 returned to each licensee in the event section 1201 (relating
6 to Pennsylvania Gaming Control Board established), 1202
7 (relating to general and specific powers) or 1307 (relating
8 to number of slot machine licenses) is amended or otherwise
9 altered by an act of the General Assembly, within five years
10 following the date established by the board as the deadline
11 for the initial submission of Category 1 and Category 2 slot
12 machine license applications, to change:

13 (i) the composition of the board;

14 (ii) the number or voting powers of members of the
15 board;

16 (iii) the manner in which members are nominated or
17 appointed to the board;

18 (iv) the length of term for which each member
19 serves;

20 (v) the general jurisdiction of the board in a
21 manner that impairs or otherwise reduces the board's
22 licensing authority; or

23 (vi) section 1307 to increase the statutory maximum
24 number of permissible Category 1 or Category 2 licensed
25 facilities.

26 (2) In the event that the General Assembly acts in the
27 manner described in paragraph (1):

28 (i) In the sixth year following the date established
29 by the board as the deadline for the initial submission
30 of Category 1 and Category 2 slot machine license

1 applications, a Category 1 and Category 2 slot machine
2 licensee shall be entitled to a partial return of the
3 [one-time] initial slot machine license fee in the amount
4 of \$41,666,667.

5 (ii) In the seventh year, each Category 1 and
6 Category 2 slot machine licensee shall be entitled to a
7 partial return of the [one-time] initial slot machine
8 license fee in the amount of \$33,333,334.

9 (iii) In the eighth year, each Category 1 and
10 Category 2 slot machine licensee shall be entitled to a
11 partial return of the [one-time] initial slot machine
12 license fee in the amount of \$25,000,000.

13 (iv) In the ninth year, each Category 1 and Category
14 2 slot machine licensee shall be entitled to a partial
15 return of the [one-time] initial slot machine license fee
16 in the amount of \$16,666,668.

17 (v) In the tenth year, each Category 1 and Category
18 2 slot machine licensee shall be entitled to a partial
19 return of the [one-time] initial machine license fee in
20 the amount of \$8,333,334.

21 (2.1) In the event that the General Assembly acts in the
22 manner described in paragraph (1) after the expiration of ten
23 years, Category 1 and Category 2 slot machine licensees shall
24 not be entitled to a return of any portion of the [one-time]
25 initial slot machine license fee. Notwithstanding the
26 foregoing, no slot machine licensee shall be entitled to the
27 return of any portion of the initial slot machine license fee
28 as a result of any act of the General Assembly insofar as it
29 implements a recommendation made by the board pursuant to a
30 qualified majority vote. In the event a full or partial

1 return of the initial slot machine license fee imposed
2 pursuant to subsection [(a)] (a)(1) becomes due pursuant to
3 this subsection, the amount to be returned to any slot
4 machine licensee shall be reduced on a dollar-for-dollar
5 basis by the total accumulated tax credits granted to such
6 licensee pursuant to subsection (c). In no event shall the
7 total amount of the initial slot machine license fee returned
8 to a Category 1 or Category 2 licensee, combined with the
9 total tax credits granted, exceed the amounts set forth in
10 this subsection for any licensee. The total or partial return
11 of the initial slot machine license fee shall extinguish a
12 licensee's right to claim any further tax credits pursuant to
13 subsection (c) and to make any future claim for the return of
14 the initial slot machine license fee.

15 (3) Within ten days following a determination that a
16 slot machine licensee is entitled to the return of any
17 portion of the initial slot machine license fee paid by the
18 slot machine licensee based on the provisions of this section
19 or based on the contract executed by the slot machine
20 licensee and the department under subsection (c), the board
21 shall immediately assess a one-time slot machine license
22 renewal fee on the slot machine licensee in an amount equal
23 to the amount of the fee returned to the slot machine
24 licensee. The renewal fee shall be paid by the slot machine
25 licensee within two business days following the return of the
26 initial slot machine license fee. The one-time slot machine
27 license renewal fee authorized under this paragraph shall be
28 in addition to the annual slot machine license fee imposed
29 under subsection (a)(2).

30 Section 2. Section 1214 of Title 4 is amended by adding a

1 subsection to read:

2 § 1214. Specific authority to suspend slot machine license.

3 * * *

4 (c.1) Failure to pay annual slot machine license fee.--If a
5 slot machine licensee fails to pay the annual slot machine
6 license fee imposed under section 1209(a)(2) (relating to slot
7 machine license fee), the board shall suspend the slot machine
8 license.

9 * * *

10 Section 3. Sections 1328, 13A24 and 13A61(d) of Title 4 are
11 amended to read:

12 § 1328. Change in ownership or control of slot machine
13 licensee.

14 (a) Notification and approval.--

15 (1) A slot machine licensee shall notify the board
16 immediately upon becoming aware of any proposed or
17 contemplated change of ownership of the slot machine licensee
18 by a person or group of persons acting in concert which
19 involves any of the following:

20 (i) More than 5% of a slot machine licensee's
21 securities or other ownership interests.

22 (ii) More than 5% of the securities or other
23 ownership interests of a corporation or other form of
24 business entity that owns directly or indirectly at least
25 20% of the voting or other securities or other ownership
26 interests of the licensee.

27 (iii) The sale other than in the ordinary course of
28 business of a licensee's assets.

29 (iv) Any other transaction or occurrence deemed by
30 the board to be relevant to license qualifications.

1 (2) Notwithstanding the provisions of paragraph (1), a
2 slot machine licensee shall not be required to notify the
3 board of any acquisition by an institutional investor
4 pursuant to paragraph (1)(i) or (ii) if the institutional
5 investor holds less than 10% of the securities or other
6 ownership interests referred to in paragraph (1)(i) or (ii),
7 the securities or interests are publicly traded securities
8 and its holdings of such securities were purchased for
9 investment purposes only and the institutional investor files
10 with the board a certified statement to the effect that it
11 has no intention of influencing or affecting, directly or
12 indirectly, the affairs of the licensee, provided, however,
13 that it shall be permitted to vote on matters put to the vote
14 of the outstanding security holders. Notice to the board and
15 board approval shall be required prior to completion of any
16 proposed or contemplated change of ownership of a slot
17 machine licensee that meets the criteria of this section.

18 (b) Qualification of purchaser of slot machine licensee;
19 change of control.--The purchaser of the assets, other than in
20 the ordinary course of business, of any slot machine licensee
21 shall independently qualify for a license in accordance with
22 this part and shall pay the initial slot license fee and annual
23 slot machine license fee as required by section 1209 (relating
24 to slot machine license fee). A change in control of any slot
25 machine licensee shall require that the slot machine licensee
26 independently qualify for a license in accordance with this
27 part, and the slot machine licensee shall pay [a new] the
28 initial slot machine license fee and annual slot machine license
29 fee as required by section 1209, except as otherwise required by
30 the board pursuant to this section. The [new] initial slot

1 machine license fee shall be paid upon the assignment and actual
2 change of control or ownership of the slot machine license.

3 (c) Change in control defined.--For purposes of this
4 section, a change in control of a slot machine licensee shall
5 mean the acquisition by a person or group of persons acting in
6 concert of more than 20% of a slot machine licensee's securities
7 or other ownership interests, with the exception of any
8 ownership interest of the person that existed at the time of
9 initial licensing and payment of the initial slot machine
10 license fee under section 1209(a)(1), or more than 20% of the
11 securities or other ownership interests of a corporation or
12 other form of business entity which owns directly or indirectly
13 at least 20% of the voting or other securities or other
14 ownership interests of the licensee.

15 (d) Fee reduction.--The board may in its discretion
16 eliminate the need for qualification and/or proportionately
17 reduce, but not eliminate, the [new] initial slot machine
18 license fee otherwise required pursuant to this section in
19 connection with a change of control of a licensee, depending
20 upon the type of transaction, the relevant ownership interests
21 and changes thereto resulting from the transaction and other
22 considerations deemed relevant by the board.

23 (e) License revocation.--Failure to comply with this section
24 may cause the license issued under this part to be revoked or
25 suspended by the board unless the purchase of the assets or the
26 change in control that meets the criteria of this section has
27 been independently qualified in advance by the board and any
28 required slot machine license fee has been paid.

29 § 13A24. Condition of continued operation.

30 As a condition of continued operation, a certificate holder

1 shall pay all annual slot machine license fees imposed under
2 section 1209(a)(2) (relating to slot machine license fee) and
3 agree to maintain all books, records and documents pertaining to
4 table games in a manner and location within this Commonwealth as
5 approved by the board. All books, records and documents related
6 to table games shall:

7 (1) be segregated by separate accounts within the slot
8 machine licensee's books, records and documents, except for
9 any books, records or documents that are common to both slot
10 machine and table game operations;

11 (2) be immediately available for inspection upon request
12 of the board, the bureau, the department, the Pennsylvania
13 State Police or the Attorney General, or agents thereof,
14 during all hours of operation of the licensed facility in
15 accordance with regulations promulgated by the board; and

16 (3) be maintained for a period as the board, by
17 regulation, may require.

18 § 13A61. Table game authorization fee.

19 * * *

20 (d) Suspension of certificate.--The board shall suspend the
21 table game operation certificate if the certificate holder fails
22 to pay:

23 (1) the total authorization fee and the penalty prior to
24 the expiration of an extension period granted under
25 subsection (c); or

26 (2) the annual slot machine license fee imposed under
27 section 1209(a)(2) (relating to slot machine license fee).

28 The suspension shall remain in effect until final payment is
29 made.

30 * * *

1 Section 4. Section 1403 of Title 4 is reenacted and amended
2 to read:

3 § 1403. Establishment of State Gaming Fund and net slot machine
4 revenue distribution.

5 (a) Fund established.--There is hereby established the State
6 Gaming Fund within the State Treasury.

7 (b) Slot machine tax.--The department shall determine and
8 each slot machine licensee shall pay, in addition to the annual
9 slot machine license fee under section 1209(a)(2) (relating to
10 slot machine license fee), a daily tax of 34% from its daily
11 gross terminal revenue from the slot machines in operation at
12 its facility [and a local share assessment as provided in
13 subsection (c)]. All funds owed to the Commonwealth, a county or
14 a municipality under this section shall be held in trust by the
15 licensed gaming entity for the Commonwealth, the county and the
16 municipality until the funds are paid or transferred to the
17 fund. Unless otherwise agreed to by the board, a licensed gaming
18 entity shall establish a separate bank account to maintain
19 gross terminal revenue until such time as the funds are paid or
20 transferred under this section. Moneys in the fund are hereby
21 appropriated to the department on a continuing basis for the
22 purposes set forth in subsection (c).

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

24 (1) Transfer the slot machine tax [and assessment]
25 imposed in subsection (b) and the annual slot machine license
26 fee imposed under section 1209(a)(2) to the fund.

27 (2) From the [local share assessment established in
28 subsection (b)] fund, 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 and \$10,000,000 annually. Notwithstanding any other
9 provision to the contrary, funds from licensed gaming
10 entities located within a county of the first class
11 shall not be distributed outside of a county of the
12 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 (II) If a licensed facility is located in
8 one of two counties of the third class where a
9 city of the third class is located in both
10 counties of the third class, the county in which
11 the licensed facility is located shall receive
12 1.2% of the gross terminal revenue to be
13 distributed as follows: 20% to the host city,
14 30% to the host county and 50% to the host county
15 for the purpose of making municipal grants within
16 the county, with priority given to municipalities
17 contiguous to the host city. The county of the
18 third class, which includes a city of the third
19 class that is located in two counties of the
20 third class and is not the host county for the
21 licensed facility, shall receive .8% of the gross
22 terminal revenue to be distributed as follows:
23 60% to a nonhost city of the third class located
24 solely in the nonhost county in which the host
25 city of the third class is also located or 60% to
26 the nonhost city of the third class located both
27 in the host and nonhost counties of the third
28 class, 35% to the nonhost county and 5% to the
29 nonhost county for the purpose of making
30 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 distributed as follows:

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

1 year.

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

19 (F) Counties of the fifth through eighth
20 classes:

21 (I) Except as set forth in subclause (II),
22 2% of the gross terminal revenue from each such
23 licensed facility shall be deposited into a
24 restricted account established in the Department
25 of Community and Economic Development to be used
26 exclusively for grants to the county.

27 (II) If the licensed facility is located in
28 a second class township in a county of the fifth
29 class, 2% of the gross terminal revenue from the
30 licensed facility shall be distributed as

1 follows:

2 (a) 1% shall be deposited into a
3 restricted receipts account to be established
4 in the Commonwealth Financing Authority to be
5 used exclusively for grants for projects in
6 the public interest to municipalities within
7 the county where the licensed facility is
8 located.

9 (b) 1% shall be distributed to the county
10 for projects in the public interest in the
11 county.

12 (G) Any county not specifically enumerated in
13 clauses (A) through (F), 2% of the gross terminal
14 revenue to the county hosting the licensed facility
15 from each such licensed facility.

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

20 (A) A county of the first class: [~~4%~~] 2% of the
21 gross terminal revenue to the county hosting the
22 licensed facility from each such licensed facility
23 and \$10,000,000 annually. Notwithstanding any other
24 provision to the contrary, funds from licensed gaming
25 entities located within the county of the first class
26 shall not be distributed outside of a county of the
27 first class.

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

1 (C) A county of the second class A: 1% of the
2 gross terminal revenue to the county hosting the
3 licensed facility from each such licensed facility.
4 An additional 1% of the gross terminal revenue to the
5 county hosting the licensed facility from each such
6 licensed facility for the purpose of municipal grants
7 within the county in which the licensee is located.

8 (D) A county of the third class: 1% of the
9 gross terminal revenue to the county hosting the
10 licensed facility from each such licensed facility.
11 An 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 (E) A county of the fourth class: 2% of the
16 gross terminal revenue from each such licensed
17 facility shall be deposited into a restricted account
18 established in the Department of Community and
19 Economic Development to be used exclusively for
20 grants to the county, to economic development
21 authorities or redevelopment authorities within the
22 county for grants for economic development projects,
23 community improvement projects, job training, other
24 projects in the public interest and reasonable
25 administrative costs. Notwithstanding the Capital
26 Facilities Debt Enabling Act, grants made under this
27 clause may be utilized as local matching funds for
28 other grants or loans from the Commonwealth.

29 (F) Counties of the fifth through eighth
30 classes: 2% of the gross terminal revenue from each

1 such licensed facility shall be deposited into a
2 restricted account established in the Department of
3 Community and Economic Development to be used
4 exclusively for grants to the county.

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

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 and \$10,000,000 annually. Notwithstanding any other
16 provision to the contrary, funds from licensed gaming
17 entities located within a county of the first class
18 shall not be distributed outside of a county of the
19 first class. The first \$5,000,000 of the total amount
20 distributed annually to the county of the first class
21 shall be distributed to the Philadelphia School
22 District.

23 (B) A county of the second class: 2% of the
24 gross terminal revenue to the county hosting the
25 licensed facility from each such licensed facility.

26 (C) A county of the second class A: 1% of the
27 gross terminal revenue to the county hosting the
28 licensed facility from each such licensed facility.
29 An additional 1% of the gross terminal revenue to the
30 county hosting the licensed facility from each such

1 licensed facility for the purpose of municipal grants
2 within the county in which the licensee is located.

3 (D) A county of the third class: 1% of the
4 gross terminal revenue to the county hosting the
5 licensed facility from each such licensed facility.
6 An additional 1% of the gross terminal revenue to the
7 county hosting the licensed facility from each such
8 licensed facility for the purpose of municipal grants
9 within the county in which the licensee is located.

10 (D.1) If a licensed facility is located in one
11 of two counties of the third class where a city of
12 the third class is located in both counties of the
13 third class, the county in which the licensed
14 facility is located shall receive 1.2% of the gross
15 terminal revenue to be distributed as follows: 20%
16 to the host city, 30% to the host county and 50% to
17 the host county for the purpose of making municipal
18 grants within the county, with priority given to
19 municipalities contiguous to the host city. The
20 county of the third class, which includes a city of
21 the third class that is located in two counties of
22 the third class and is not the host county for the
23 licensed facility, shall receive .8% of the gross
24 terminal revenue to be distributed as follows: 60%
25 to a nonhost city of the third class located solely
26 in the nonhost county in which the host city of the
27 third class is also located or 60% to the nonhost
28 city of the third class located both in the host and
29 nonhost counties of the third class, 35% to the
30 nonhost county and 5% to the nonhost county for the

1 purpose of making municipal grants within the county.

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

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

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

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

28 (b) Any funds not distributed under
29 subclause (a) shall be deposited into a
30 restricted receipts account to be established

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

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

22 (II.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) (b) or (II) on or before the
26 effective date of this subclause.

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

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

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

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

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

1 (relating to Tax Increment Financing Guarantee
2 Program) and 1558 (relating to Water Supply and
3 Wastewater Infrastructure Program).

4 (C) If the facility is a Category 3 licensed
5 facility located in a county of the fifth class that
6 is contiguous to a county of the seventh class, 2% of
7 the gross terminal revenue from the licensed facility
8 shall be deposited into a restricted receipts account
9 to be established in the Commonwealth Financing
10 Authority to be used exclusively for grants within
11 the county for economic development projects,
12 infrastructure projects, community improvement
13 projects and other projects in the public interest
14 within the county and for infrastructure projects
15 within a 20-mile radius of the licensed facility in a
16 contiguous county of the seventh class.

17 (v) Unless otherwise specified, for the purposes of
18 this paragraph money designated for municipal grants
19 within a county, other than a county of the first class,
20 in which a licensed facility is located shall be used to
21 fund grants to the municipality in which the licensed
22 facility is located, to the county in which the licensed
23 facility is located and to the municipalities which are
24 contiguous to the municipality in which the licensed
25 facility is located and which are located within the
26 county in which the licensed facility is located. Grants
27 shall be administered by the county through its economic
28 development or redevelopment authority in which the
29 licensed facility is located. Grants shall be used to
30 fund the costs of human services, infrastructure

1 improvements, facilities, emergency services, health and
2 public safety expenses associated with licensed facility
3 operations. If at the end of a fiscal year uncommitted
4 funds exist, the county shall pay to the economic
5 development or redevelopment authority of the county in
6 which the licensed facility is located the uncommitted
7 funds.

8 (vi) If the licensed facility is located in more
9 than one county, the amount available shall be
10 distributed on a pro rata basis determined by the
11 percentage of acreage located in each county to the total
12 acreage of all counties occupied by the licensed
13 facility.

14 (vii) The distributions provided in this paragraph
15 shall be based upon county classifications in effect on
16 the effective date of this section. Any reclassification
17 of counties as a result of a Federal decennial census or
18 of a State statute shall not apply to this subparagraph.

19 (viii) If any provision of this paragraph is found
20 to be unenforceable for any reason, the distribution
21 provided for in the unenforceable provision shall be made
22 to the county in which the licensed facility is located
23 for the purposes of grants to municipalities in that
24 county, including municipal grants as specified in
25 subparagraph (v).

26 (ix) Nothing in this paragraph shall prevent any of
27 the above counties which directly receive a distribution
28 under this section from entering into intergovernmental
29 cooperative agreements with other jurisdictions for
30 sharing this money.

1 (3) From the [local share assessment established in
2 subsection (b)] fund, make quarterly distributions among the
3 municipalities, including home rule municipalities, hosting a
4 licensed facility in accordance with the following schedule:

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

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

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

12 (iii) To a city of the third class hosting a
13 licensed facility, other than a Category 3 licensed
14 facility, [2% of the gross terminal revenue or
15 \$10,000,000 annually, whichever is greater, shall be paid
16 by each licensed gaming entity operating a licensed
17 facility located in that city,] subject, however, to the
18 budgetary limitation in this subparagraph. In the event
19 that the city has a written agreement with a licensed
20 gaming entity executed prior to the effective date of
21 this part, the amount paid under the agreement to the
22 city shall be applied and credited to the [difference
23 between 2% of the gross terminal revenue and the]
24 \$10,000,000 owed under this subparagraph [if the 2% of
25 the gross terminal revenue is less than \$10,000,000. If
26 2% of the gross terminal revenue is greater than the
27 \$10,000,000 required to be paid under this subparagraph,
28 the credit shall not apply. The amount of gross terminal
29 revenue required to be paid pursuant to the agreement
30 shall be deemed to be gross terminal revenue for purposes

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

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

1 also located, [2% of gross terminal revenue or
2 \$10,000,000 annually, whichever is greater,] \$10,000,000
3 annually shall be distributed as follows: 80% to the
4 host city and 20% to a city of the third class located
5 both in a nonhost county of the third class and in a host
6 county of the third class in which the host city of the
7 third class is located.

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

1 (2).]

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

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

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

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

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

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

1 the 2% do not meet the \$10,000,000 minimum specified in
2 this subparagraph, the department shall collect the
3 remainder of the minimum amount of \$10,000,000 from each
4 licensed gaming entity operating a licensed facility in
5 the incorporated town, pay any balance due to the town
6 and transfer any remainder in accordance with paragraph
7 (2).]

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

25 (B) If the municipality hosting a Category 3
26 licensed facility is a borough located in a county of
27 the third class and the borough is contiguous to a
28 city of the third class, 1% of gross terminal revenue
29 shall be distributed to the host borough and 1% of
30 gross terminal revenue shall be distributed to the

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

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

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

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

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

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

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

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

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

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

21 (xv) 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
24 for the benefit of a city of the second class in which an
25 intergovernmental cooperation authority has been
26 established and is in existence pursuant to the act of
27 February 12, 2004 (P.L.73, No.11), known as the
28 Intergovernmental Cooperation Authority Act for Cities of
29 the Second Class, shall be directed to and under the
30 exclusive control of such intergovernmental cooperation

1 authority to be used:

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

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

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

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

20 (e) Reporting.--

21 (1) In cooperation with the department and the
22 Commonwealth Financing Authority, the Department of Community
23 and Economic Development shall submit an annual report on all
24 distributions of local share assessments to counties and
25 municipalities under this section to the chairman and
26 minority chairman of the Appropriations Committee of the
27 Senate, the chairman and minority chairman of the Community,
28 Economic and Recreational Development Committee of the
29 Senate, the chairman and minority chairman of the
30 Appropriations Committee of the House of Representatives and

1 the chairman and minority chairman of the Gaming Oversight
2 Committee of the House of Representatives. The report shall
3 be submitted by August 31, 2010, and by August 31 of each
4 year thereafter.

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

14 (f) Prohibited activities.--

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

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

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

30 (iii) The person is paid a fixed fee or percentage

1 of the amount of any funds approved, awarded or received
2 up to .5%.

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

6 Section 5. This act shall take effect in 60 days.