
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1221 Session of
2015

INTRODUCED BY COSTA, FONTANA, SCARNATI, TEPLITZ, VULAKOVICH,
RESCHENTHALER, BREWSTER, YUDICHAK AND HUGHES, MAY 2, 2016

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MAY 2, 2016

AN ACT

1 Amending the act of February 12, 2004 (P.L.73, No.11), entitled
2 "An act providing for intergovernmental cooperation in cities
3 of the second class; establishing an intergovernmental
4 authority; providing for financing, for bankruptcy and for
5 sovereign immunity; and making an appropriation," in general
6 provisions, further providing for definitions; in
7 intergovernmental cooperation authority for cities of the
8 second class, further providing for governing board, for
9 powers and duties, for term of existence, for annual report
10 to be filed and annual audits and providing for distribution
11 of gaming revenue.

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

14 Section 1. Section 104 of the act of February 12, 2004
15 (P.L.73, No.11), known as the Intergovernmental Cooperation
16 Authority Act for Cities of the Second Class, is amended by
17 adding a definition to read:

18 Section 104. Definitions.

19 The following words and phrases when used in this act shall
20 have the meanings given to them in this section unless the
21 context clearly indicates otherwise:

22 * * *

1 "Gaming revenue." The local share assessment collected from
2 gaming revenue by the Department of Revenue for distribution to
3 municipalities hosting licensed facilities under 4 Pa.C.S. Ch.
4 14 (relating to revenues).

5 * * *

6 Section 2. Section 202(d) and (h)(1) of the act are amended
7 to read:

8 Section 202. Governing board.

9 * * *

10 (d) Meetings.--After the initial organizational meeting, the
11 board shall meet as frequently as it deems appropriate but at
12 least once during each quarter of the fiscal year. In addition,
13 a meeting of the board shall be called by the chairperson if a
14 request for a meeting is submitted to the chairperson by at
15 least two members of the board.

16 (d.1) Quorum.--A majority of the board shall constitute a
17 quorum for the purpose of conducting the business of the board
18 and for all other purposes. All actions of the board shall be
19 taken by a majority of the board members present, except as
20 otherwise specifically noted. The provisions of 65 Pa.C.S. Ch. 7
21 (relating to open meetings) shall apply to the board.

22 * * *

23 (h) Statutes applying to authority.--

24 (1) The provisions of the following acts shall apply to
25 the board and executive director of the authority:

26 (i) 65 Pa.C.S. Ch. 7 (relating to open meetings).

27 (ii) The act of [June 21, 1957 (P.L.390, No.212),
28 referred to] February 14, 2008 (P.L.6, No.3), known as
29 the Right-to-Know Law.

30 (iii) Except as set forth in paragraph (2), the act

1 of July 19, 1957 (P.L.1017, No.451), known as the State
2 Adverse Interest Act.

3 (iv) 65 Pa.C.S. Ch. 11 (relating to ethics standards
4 and financial disclosure).

5 (v) 62 Pa.C.S. (relating to procurement).

6 * * *

7 Section 3. Section 203(b) (4) of the act is amended and the
8 subsection is amended by adding paragraphs to read:

9 Section 203. Powers and duties.

10 * * *

11 (b) Specific duties.--The authority shall have the powers
12 and its duties shall be:

13 * * *

14 (4) To make annual signed reports within 120 days after
15 the close of the assisted city's fiscal year, commencing with
16 the fiscal year ending December 31, 2003, to the Governor and
17 the General Assembly describing the city's financial
18 condition and the authority's progress with respect to
19 restoring the financial stability of assisted cities and
20 achieving balanced budgets for assisted cities. [Such reports
21 shall be] Each report shall:

22 (i) Be filed with the Governor, with the presiding
23 officers of the Senate and the House of Representatives,
24 with the chairperson and minority chairperson of the
25 Appropriations Committee of the Senate and the
26 chairperson and the minority chairperson of the
27 Appropriations Committee of the House of Representatives
28 and with the governing body, mayor and controller of the
29 assisted city and be publicly available in the assisted
30 city during normal business hours for public inspection

1 and on the authority's publicly accessible Internet
2 website, and may be reproduced by any member of the
3 public at commercial costs of reproduction. [Such report
4 shall clearly]

5 (ii) Clearly show by consistent category the last
6 five years of operating revenues and expenditures,
7 capital expenditures, gross and net indebtedness
8 transactions, including a schedule of principal and
9 interest, five-year projections of the assisted city's
10 operating and capital budgets, and the entire projected
11 indebtedness transactions, including a schedule of
12 principal and interest of such indebtedness until any and
13 all debt has been completely retired. [Such report shall
14 contain]

15 (iii) Contain a narrative explaining progress of the
16 assisted city in meeting its annual and five-year
17 budgetary objectives, an appraisal by the authority of
18 the progress the assisted city is making to achieve its
19 goals and an appraisal of the extent to which the
20 assisted city is making a good faith effort to achieve
21 its goals. [Such report shall disclose]

22 (iv) Disclose any violations of Federal and State
23 law that the authority may have discovered. [Such report
24 shall include]

25 (v) Include as appendixes all historical loans or
26 other contracts entered into by the assisted city and its
27 authorities.

28 (vi) Contain detailed accounting on any gaming
29 revenue that the authority is withholding from an
30 assisted city, as provided for under 4 Pa.C.S. § 1403(c)

1 (3) (xv) (relating to establishment of State Gaming Fund
2 and net slot machine revenue distribution), including the
3 reasons that the revenue is being withheld, the
4 conditions that the assisted city must meet for the
5 revenue to be released and the amount of revenue being
6 withheld.

7 (5) To establish and maintain a publicly accessible
8 Internet website that contains, but is not limited to, all of
9 the following:

10 (i) Intergovernmental cooperation agreements under
11 paragraph (3).

12 (ii) Annual reports required under paragraph (4).

13 (iii) The authority's annually adopted budget under
14 section 206.

15 (iv) Audits required under section 207.

16 (v) Contracts that the authority has entered into
17 with third parties.

18 (6) To adopt and publish a records retention policy that
19 is consistent with the records retention policy of the Office
20 of Administration as published in Manual 210.9, The
21 Commonwealth's General Records Retention and Disposition
22 Schedule, adopted April 4, 2016, and shall annually update
23 the policy to remain consistent with the Office of
24 Administration.

25 * * *

26 Section 4. Sections 204 and 207 of the act are amended to
27 read:

28 Section 204. Term of existence.

29 (a) Length.--The authority shall exist for a term of at
30 least seven years. If, after seven years, an assisted city has

1 had annual operating budgets and five-year financial plans
2 approved by the board for at least the three immediately
3 preceding years, the Secretary of Community and Economic
4 Development shall certify that the authority is no longer
5 needed, and the provisions of this chapter will no longer be in
6 effect 90 days following that certification. Upon termination of
7 the authority, records and documents of the authority shall be
8 transferred to the director of finance of the assisted city. The
9 authority shall submit a final report on its activities and the
10 city's fiscal condition to the Governor and the General Assembly
11 within 60 days of its termination.

12 (b) Limitation.--The Secretary of Community and Economic
13 Development may not certify that authority is no longer
14 necessary under subsection (a) until oversight is terminated
15 under the act of July 10, 1987 (P.L.246, No.47), known as the
16 Municipalities Financial Recovery Act, or June 30, 2019,
17 whichever is later.

18 (c) Redistribution.--If the authority is terminated under
19 subsection (a) or (b) and gaming revenue was distributed to and
20 under the exclusive control of the authority under 4 Pa.C.S. §
21 1403(c)(3)(xv) (relating to establishment of State Gaming Fund
22 and net slot machine revenue distribution), the gaming revenue
23 shall be redistributed to an assisted city to increase the level
24 of funding to the municipal pension funds of an assisted city.

25 Section 207. Annual report to be filed; annual audits.

26 [The] By December 31 following the end of each fiscal year,
27 the authority shall file a signed annual report with the
28 chairperson and the minority chairperson of the Appropriations
29 Committee of the Senate and chairperson and the minority
30 chairperson of the Appropriations Committee of the House of

1 Representatives, which shall make provisions for the accounting
2 of revenues and expenses. The authority shall have its books,
3 accounts and records audited annually in accordance with
4 generally accepted auditing standards by an independent auditor
5 who shall be a certified public accountant, and a copy of his
6 audit report shall be attached to and be made a part of the
7 authority's annual report. A concise financial statement shall
8 be published annually in the Pennsylvania Bulletin.

9 Section 5. The act is amended by adding a section to read:

10 Section 210.1. Distribution of gaming revenue.

11 (a) Authority determination.--Notwithstanding any other
12 provision of law and not less than 30 days preceding each
13 scheduled quarterly distribution of gaming revenue under 4
14 Pa.C.S. 1403(c) (3) (i) (relating to establishment of State Gaming
15 Fund and net slot machine revenue distribution) to a host
16 municipality that is an assisted city, the board shall, by a
17 majority vote of all the members, direct the assisted city to
18 use the gaming revenue pursuant to 4 Pa.C.S. 1403(c) (3) (xv).

19 (b) Debt or pension funding.--If the authority votes to
20 require an assisted city to use gaming revenue under 4 Pa.C.S.
21 1403(c) (3) (xv) (A) or (B), the authority shall notify the
22 Secretary of the Budget, the Commonwealth shall distribute the
23 gaming revenue directly to the assisted city as provided for
24 under 4 Pa.C.S. § 1403(c) (3) (i) and the assisted city shall use
25 the gaming revenue as required by the authority.

26 (c) Other purpose.--If the authority votes to require an
27 assisted city to use gaming revenue for a purpose under 4
28 Pa.C.S. § 1403(c) (3) (xv) (C), the authority shall transmit in
29 writing to the assisted city and the Secretary of the Budget no
30 more than five days from the time of the vote, the purpose and

1 conditions that the assisted city must meet before distribution
2 of the gaming revenue is made to the assisted city. The
3 following shall apply:

4 (1) If the assisted city provides the authority with
5 information that, to the authority's satisfaction, meets the
6 conditions required under this subsection, the authority
7 shall notify the Secretary of the Budget and the Commonwealth
8 shall distribute the gaming revenue directly to the assisted
9 city as provided for under 4 Pa.C.S. § 1403(c)(3)(i).

10 (2) If the assisted city requires additional time to
11 meet the conditions required by the authority, the assisted
12 city shall reply in writing within five days with an update
13 on the process for meeting the conditions and a projection of
14 time period that will be needed to complete the requirements.
15 The authority shall notify the Secretary of the Budget that
16 the assisted city is not in compliance with the conditions to
17 meet the purposes required under paragraph (3) and that no
18 distribution of gaming revenue is to be made to the assisted
19 city until the conditions are met. The authority shall, by
20 majority vote, determine when the conditions which caused an
21 assisted city to be certified as not in compliance have
22 ceased to exist and shall promptly notify the Secretary of
23 the Budget of the vote. Upon notification, the Secretary of
24 the Budget shall release the gaming funds held in escrow,
25 including the interest and income earned on the funds during
26 the period held in escrow directly to the assisted city.

27 (3) If the assisted city and the authority are in
28 dispute as to whether the conditions have been met, the
29 assisted city may make a request to the Secretary of the
30 Budget to make a determination that the assisted city has met

1 the conditions. The following shall apply:

2 (i) If the Secretary of the Budget determines that
3 the conditions have been met, the Secretary of the Budget
4 shall provide notice to the assisted city and the
5 authority and shall release the gaming funds held in
6 escrow, including interest and income earned on the
7 gaming funds during the period held in escrow directly to
8 the assisted city.

9 (ii) If the Secretary of the Budget determines that
10 the assisted city has not met the conditions, the
11 Secretary of the Budget shall provide notice to the
12 assisted city and the authority and require that the
13 assisted city continue to meet the conditions under this
14 section.

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