

No. 2013-71

AN ACT

SB 591

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," in preliminary provisions, further providing for method of payment and for method of filing; in Department of Revenue, further providing for transmission of moneys; in agents for collection, further providing for corporate treasurers; in bonus and tax records, further providing for corporate loans and tax, for municipal loans and tax and for monthly statements by registers of wills; in collections other than by settlement, further providing for driver's license fees and for amounts payable to State institutions; in procedure for disbursement of money from State Treasury, providing for reimbursement for administrative costs; in Local Government Capital Project Loan Fund, further providing for assistance to municipalities; in special funds, further providing for funding and for transfer and providing for other grants; providing for additional special funds; in general budget implementation, providing for the Motor License Fund; in 2012-2013 budget implementation, further providing for the Department of Public Welfare; in 2012-2013 restrictions on appropriations, further providing for Veterans' Trust Fund; providing for 2013-2014 budget implementation; providing for 2013-2014 restrictions on appropriations for funds and accounts; in audits, further providing for Race Horse Development Funds; making an appropriation; and making related repeals.

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

Section 1. The General Assembly finds and declares as follows:

(1) The intent of this act is to provide for the implementation of the 2013-2014 Commonwealth budget.

(2) The Constitution of Pennsylvania confers numerous express duties upon the General Assembly, including the passage of a balanced budget for the Commonwealth.

(3) Section 24 of Article III of the Constitution of Pennsylvania requires the General Assembly to adopt all appropriations for the operation of government in the Commonwealth, regardless of their source. The Supreme Court has repeatedly affirmed that, "It is fundamental within Pennsylvania's tripartite system that the General Assembly enacts the legislation establishing those programs which the state provides for its citizens and appropriates the funds necessary for their operation."

(4) Pursuant to section 13 of Article VIII of the Constitution of Pennsylvania, the General Assembly is explicitly required to adopt a balanced Commonwealth budget. Given the unpredictability and potential insufficiency of revenue collections, various changes in State law relating to sources of revenue, the collection of revenue and the implementation of statutes which impact revenue may be required to discharge this constitutional obligation.

(5) Section 11 of Article III of the Constitution of Pennsylvania requires the adoption of a general appropriation bill that embraces "nothing but appropriations." While actual appropriations can be contained in a General Appropriations Act, the achievement and implementation of a comprehensive budget involves more than appropriations. Ultimately, the budget has to be balanced under section 13 of Article VIII of the Constitution of Pennsylvania. This may necessitate changes to sources of funding and enactment of statutes to achieve full compliance with these constitutional provisions.

(6) For the reasons set forth in paragraphs (1), (2), (3), (4) and (5), it is the intent of the General Assembly through this act to provide for the implementation of the 2013-2014 Commonwealth budget.

(7) Every provision of this act relates to the implementation of the operating budget of the Commonwealth for this fiscal year, addressing in various ways the fiscal operations, revenues and potential liabilities of the Commonwealth. To that end, this act places conditions on appropriations, provides for accountability for spending and makes any necessary transfers or other changes necessary to impact the availability of revenue or the fiscal conditions of the Commonwealth, in order to meet the requirements of section 13 of Article VIII of the Constitution of Pennsylvania and to implement the act of June 30, 2013 (P.L.1277, No.1A), known as the General Appropriation Act of 2013.

Section 2. Section 9 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, amended July 2, 2012 (P.L.823, No.87), is amended to read:

Section 9. Method of Payment.—(a) Notwithstanding any other provisions of this act or any other acts, the State Treasurer and the Secretary of Revenue shall jointly prescribe by regulation the method of payment of obligations due the Commonwealth. Such regulations shall include:

(1) Requiring payment by electronic funds transfers (EFT) which includes automated clearinghouse debit, automated clearinghouse credit,

wire transfer and any other means that may be available to obtain funds due the Commonwealth in the most expeditious manner. The payor shall select which method of electronic funds transfer he wishes to utilize from among these options.

(2) Setting the date on which a payment is deemed to have been received when a method other than mail is required.

(3) Establishing procedures to be followed when a method other than mail is required.

(4) Any other provisions necessary to ensure the prompt deposit of funds legally due the Commonwealth.

(5) An option permitting payment by certified or cashier's check delivered in person or by courier to the Department of Revenue on or before the due date of the obligation, in lieu of payment by electronic funds transfer.

(b) The regulations shall not require:

(1) Any payment to be posted to a Commonwealth account prior to the due date, including grace periods, established by law or regulations.

(2) Changes to the method of payment for those payments made by individuals under Article III of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971."

(3) Changes to the method of payment when the payment is less than **[ten thousand dollars (\$10,000)] one thousand dollars (\$1,000)**.

(4) Automated clearinghouse debit as the sole and exclusive means of complying with this act and the regulations promulgated pursuant to this act.

Section 3. Section 10 of the act, added October 9, 2009 (P.L.537, No.50), is amended to read:

Section 10. Method of Filing.—(a) The Department of Revenue may require any return, report or other document required to be filed for a tax administered by the department prepared by a third party who submits **[fifty or]** more *than ten* returns, *reports or other documents required to be filed* per year to be filed by any method prescribed by the department, including by telephonic, electronic or other method. Notice of the method of filing shall be published in the Pennsylvania Bulletin and on the Department of Revenue's Internet website at least sixty days prior to the due date of the return, report or other document required to be filed by telephonic, electronic or other method. The notice shall refer to this section.

(b) Failure to file a return, report or other document by the method required under subsection (a) shall subject the tax preparer to a penalty of one percent of the tax due on the return, report or other document up to a maximum of five hundred dollars (\$500), but not less than ten dollars (\$10). This penalty shall be assessed and collected in the manner provided by the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971." This penalty shall be in addition to any civil penalty imposed in the applicable article of the "Tax Reform Code of 1971" for failure to file a return, report or other document. The criminal penalty for failure to file a return, report or other document by the method required under subsection (a) shall be the same as the criminal penalty for failure to file a return, report or other document under the applicable article of the "Tax Reform Code of 1971."

(c) (1) The Department of Revenue may waive the requirement to file by the method required under subsection (a) when the department determines that any of the following apply:

- (i) The prescribed filing method causes an undue hardship.
- (ii) The preparer or taxpayer requests a waiver in writing that clearly states why the filing method causes an undue hardship.

(2) In determining whether filing by the method required under subsection (a) causes an undue hardship, the Department of Revenue may consider unusual circumstances that may prevent the person from filing by the prescribed method or any other factor that the department determines is relevant.

Section 4. Section 209 of the act, amended July 2, 2012 (P.L.823, No.87), is amended to read:

Section 209. Transmission of Moneys.—(a) Except as provided in subsection (b), all moneys received by the Department of Revenue during any day shall be transmitted promptly to the Treasury Department, and the Treasury Department shall forthwith issue its receipt to the Department of Revenue for such moneys, and credit them to the fund and account designated by the Department of Revenue.

Detailed statements of all moneys received shall be furnished to the Treasury Department and the Department of the Auditor General contemporaneously with the transmission of such moneys to the Treasury Department.

(b) The following apply to contracts:

(1) [The] *Except as set forth in paragraph (1.1), the Department of Revenue may enter into contracts allowing the contractor to be paid for products provided or services rendered, on a contingent fee basis, for taxes, interest, penalty or fees collected or refunds saved.*

(1.1) The Department of Revenue may not enter into a contingent fee contract under which the contractor directly conducts a field audit.

(2) The money collected under paragraph (1) shall be deposited into a restricted receipt account, out of which the contingent fees shall be paid. By the last day of each month, all money remaining in the restricted receipt account shall be transferred to the General Fund.

(3) The Department of Revenue shall submit an annual report setting forth the number of contracts entered into under paragraph (1), the amount collected and the percentage of the contingency.

Section 5. Section 606 of the act is repealed:

[Section 606. Treasurers of Private Corporations to Collect Tax from Interest Paid.—The treasurer of every private corporation, except corporations of the first class and cooperative agricultural associations not having capital stock and not conducted for profit, shall continue to be the agent of the Commonwealth, for the purpose of assessing, collecting, and paying into the State Treasury the tax imposed by law upon any scrip, bond, certificate, or evidence of indebtedness, issued or assumed by such corporation, or upon which interest shall be paid and held by residents of this Commonwealth, including interest paid for prior years, but all taxes thus collected shall be paid into the State Treasury, through the Department of Revenue.

For his services as such agent, every such treasurer shall be compensated at the rates now provided by law.]

Section 6. Section 708 of the act, amended July 13, 1957 (P.L.838, No.388), is repealed:

[Section 708. Report of Corporate Loans and Payment of Tax.—The treasurer of every private corporation, except corporations of the first class, and cooperative agricultural associations not having capital stock and not conducted for profit, shall report, annually, on or before the fifteenth day of April, to the Department of Revenue, the amount of indebtedness of the corporation, or assumed by it, or upon which it pays interest, owned by residents of this Commonwealth, as nearly as the same can be ascertained, and whenever any such corporation shall make a payment of interest on any scrip, bonds, certificates and evidence of indebtedness, due and payable for prior years, it shall also be the duty of the treasurer of such corporation to report the same forthwith to the Department of Revenue, giving such information about such payment as the Department of Revenue shall require. Every such treasurer, at the time of making every report required by this section, shall compute and pay to the department the tax due the Commonwealth upon such scrip, bonds, certificates and evidences of indebtedness, as required by law.]

Section 7. Section 709 of the act, amended February 2, 1937 (P.L.3, No.1), is repealed:

[Section 709. Report of Municipal Loans and Payment of Tax.—The treasurer of each county, city, borough, school district, and incorporated district, shall, on or before the fifteenth day of March of each year, make a return to the Department of Revenue of the amount of scrip, bonds, certificates, and evidences of indebtedness, outstanding by such county, city, borough, school district, or incorporated district, as the same existed on the first day of January, together with the rates of interest or dividends thereon at each interest or dividend paying date during the preceding year, and whenever any such county, city, borough, school district, or incorporated district, shall make a payment of interest on any scrip, bonds, certificates, and evidences of indebtedness, due and payable for prior years, it shall be the duty of the treasurer thereof to report the same forthwith to the Department of Revenue, giving such information about such payment as the department may require. Every such treasurer, at the time of making every report required by this section, shall compute and pay to the department the tax due the Commonwealth upon such scrip, bonds, certificates and evidences of indebtedness, as required by law.]

Section 8. Sections 724 and 1206 of the act are repealed:

[Section 724. Monthly Statements by Registers of Wills Reporting Inheritance Tax Appraisers' Returns.—The register of wills of each county shall transmit to the Department of Revenue, on the first day of each month, a statement of all returns made by appraisers during the preceding month upon which transfer inheritance taxes have been paid or remain unpaid.

Section 1206. Motor License and Vehicle Operators' License Fees.—The Department of Revenue shall prepare and distribute such forms as

may be necessary to enable it to collect all fees for the registration and titling of vehicles, under any existing or future laws of the Commonwealth, and for licensing operators of vehicles. All such fees shall be collected directly by the Department of Revenue, which shall issue the licenses, license tags, learners' permits, certificates of title, and all other certificates, permits, and documents, for which such fees are payable.]

Section 9. Section 1209 of the act, amended June 1, 1931 (P.L.318, No.143), is repealed:

[Section 1209. Collection of Amounts Payable to State Institutions.—The Department of Revenue shall place its agent in every State institution for the purpose of collecting all moneys due to such institutions from patients, pupils, inmates, or the estates of such patients, pupils, or inmates or from any political subdivision of this Commonwealth, including school districts, and poor districts, or from the Federal Government, or from any other person, association, corporation, or public agency whatsoever, for care, treatment, instruction, maintenance, or any other expense, chargeable for or on account of such patients, pupils, or inmates.

All bills rendered hereunder shall be in the style, "Commonwealth of Pennsylvania, Department of Revenue, Agent for the Collection of Moneys Owning to (name of institution or its board of trustees)."

All such bills shall be due when rendered, and shall bear interest at the rate of six per centum per annum from thirty days after their date.]

Section 10. The act is amended by adding a section to read:

Section 1507.2. Reimbursement for Administrative Cost of Collection.—(a) Commonwealth agencies, departments, boards or commissions may recover their administrative costs incurred to certify and collect a delinquency owed by a person or entity who owes the Commonwealth for a good, service or benefit provided by the Commonwealth to the person or entity when the delinquency does not arise from a tax liability. The recovery shall be three per centum of the delinquency not to exceed thirty dollars (\$30) per delinquency and shall be paid by the debtor person or entity before the delinquency is extinguished.

(b) The amount of the debt recovered shall be deposited into the General Fund, other fund or account from which the delinquency arises. The amount of the administrative costs recovered shall be credited to the appropriation, fund or account from which the agency's, department's, board's or commission's administrative costs connected to the recovery were paid and shall then be available for expenditure in accordance with the law.

(c) This section shall not apply to:

(1) costs of collection incurred by the Department of Revenue or by the Office of Attorney General on tax liabilities for taxes administered by the Department of Revenue; or

(2) debts, taxes or accounts collected by the Office of Attorney General pursuant to the act of October 15, 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys Act."

Section 10.1. Section 1603-D of the act, amended or added October 6, 1997 (P.L.387, No.46) and July 5, 2006 (P.L.296, No.66), is amended to read:

Section 1603-D. Assistance to Municipalities.—(a) The department is hereby authorized, upon application of a municipality, to make loans to the municipality for the following purposes and in the following amounts:

1. Purchasing equipment. The amount of a loan made for purchasing equipment shall not exceed **[twenty-five thousand dollars (\$25,000)] *fifty thousand dollars (\$50,000)*** for any single piece of equipment or fifty per centum of the total cost of the piece of equipment, whichever is less.

2. Purchasing, constructing, renovating or rehabilitating facilities. The amount of a loan made for purchasing, constructing, renovating or rehabilitating facilities shall not exceed **[fifty thousand dollars (\$50,000)] *one hundred thousand dollars (\$100,000)*** for any single facility or fifty per centum of the total cost for purchasing, constructing, renovating or rehabilitating the facility, whichever is less.

[3. Temporary increase in loan limits. For the fiscal year commencing July 1, 2006, loans issued pursuant to paragraph 1 shall not exceed fifty thousand dollars (\$50,000) and issued pursuant to paragraph 2 shall not exceed one hundred thousand dollars (\$100,000).]

(b) Loans made by the department *for the purchase of equipment shall be for a period not to exceed the useful life of the equipment, and loans made for the purchase, construction, renovation or rehabilitation of facilities* shall be for a period of not more than **[ten] *fifteen*** years. Loans shall be subject to the payment of interest at two per centum per annum and shall be subject to such security as shall be determined by the department. The total amount of interest earned by the investment or reinvestment of all or any part of the principal of any loan shall be returned to the department and transferred to the fund and shall not be credited as payment of principal or interest on the loan. The minimum amount of any loan shall be one thousand dollars (\$1,000). The municipality shall comply with the approval requirements of 53 Pa.C.S. Ch. 80 Subch. C (relating to procedure for securing approval of electors).

(c) Every application for a loan under this article shall be accompanied by a financial statement of the municipality and a financial plan to show how the loan will be repaid. Every application shall be accompanied by evidence sufficient to show that all costs, except the amount of the loan, will be met by assets or revenues of the municipality, grants or loans from other sources or in-kind contributions or services.

(d) Loans under this article shall be used for purchasing equipment and for purchasing, constructing, renovating or rehabilitating facilities and shall not be used for operating expenses or for the refinancing or reduction of any debt or obligation incurred prior to the effective date of this article.

(e) Loans made by the department shall be paid from the fund to municipalities in accordance with rules and regulations promulgated by the department.

(f) All payments of interest on loans and the principal thereof shall be deposited by the department in the fund.

Section 11. Section 1702-A of the act, amended July 2, 2012 (P.L.823, No.87), is amended to read:

Section 1702-A. Funding.

(a) Intent.—It is hereby declared as the intent and goal of the General Assembly to create a stabilization reserve in an eventual amount of 6% of the revenues of the General Fund of the Commonwealth.

(b) Transfer of portion of surplus.—

(1) Except as may be provided in paragraph (2), for fiscal years beginning after June 30, 2002, the following apply:

(i) Except as set forth in this paragraph, if the Secretary of the Budget certifies that there is a surplus in the General Fund for a specific fiscal year, 25% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Stabilization Reserve Fund.

(ii) If the Secretary of the Budget certifies, after June 30, 2005, that there is a surplus in the General Fund for the fiscal year 2004-2005, 15% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Stabilization Reserve Fund.

(iii) No amount of the surplus in the General Fund for fiscal year 2007-2008 may be deposited into the Budget Stabilization Reserve Fund.

(iv) No amount of the surplus in the General Fund for fiscal year 2010-2011 may be deposited into the Budget Stabilization Reserve Fund.

(v) No amount of the surplus in the General Fund for fiscal year 2011-2012 may be deposited into the Budget Stabilization Reserve Fund.

(vi) No amount of the surplus in the General Fund for fiscal year 2012-2013 may be deposited into the Budget Stabilization Reserve Fund.

(2) If, at the end of any fiscal year, the ending balance of the Budget Stabilization Reserve Fund equals or exceeds 6% of the actual General Fund revenues received for the fiscal year in which the surplus occurs, 10% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Reserve Stabilization Fund.

(c) Appropriated funds.—The General Assembly may at any time provide additional amounts from any funds available to this Commonwealth as an appropriation to the Budget Stabilization Reserve Fund.

Section 12. Section 1711-A of the act, added June 29, 2002 (P.L.614, No.91), is amended to read:

Section 1711-A. Transfer.

Notwithstanding section 704 of the act of July 6, 1989 (P.L.169, No.32), known as the Storage Tank and Spill Prevention Act, the Secretary of the Budget shall, by October 15, 2002, transfer the sum of \$100,000,000 from the Underground Storage Tank Indemnification Fund to the General Fund. The sum transferred under this section shall be repaid to the Underground Storage Tank Indemnification Fund **[over a ten-year period commencing July 1, 2004] after June 30, 2004, and before July 1, 2029**, plus interest. An annual payment amount shall be included in the budget submission required

pursuant to section 613 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

Section 13. The act is amended by adding a section to read:

Section 1774.1-A. Other grants.

For fiscal year 2013-2014, from funds available to the authority under this act that are unrelated to indebtedness incurred for the program, the sum of \$3,000,000 shall be available for water and sewer projects with a cost of not less than \$50,000 and not more than \$150,000. The authority shall adopt guidelines for the approval of applications under this section and shall ensure that grants are made available to all geographic areas of this Commonwealth.

Section 14. The act is amended by adding an article to read:

**ARTICLE XVII-A.1
ADDITIONAL SPECIAL FUNDS
SUBARTICLE A
VETERANS' TRUST FUND**

Section 1701-A.1. Veterans' Trust Fund.

There is established a special fund in the State Treasury known as the Veterans' Trust Fund.

**SUBARTICLE B
TOBACCO SETTLEMENT FUND**

Section 1711-A.1. Definitions.

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

"Accounts." The Health Endowment Account for Long-Term Hope and the Health Venture Investment Account.

"Annual payment." A payment received by the Commonwealth pursuant to section IX(c)(1) of the Master Settlement Agreement.

"Board." The Tobacco Settlement Investment Board.

"Fund." The Tobacco Settlement Fund.

"Health Account." The Health Endowment Account for Long-Term Hope.

"Master Settlement Agreement." The settlement agreement and related documents entered into on November 23, 1998, by the Commonwealth and leading United States tobacco product manufacturers approved by the Court of Common Pleas, Philadelphia County, on January 13, 1999.

"Strategic contribution payment." A payment received by the Commonwealth pursuant to section IX(c)(2) of the Master Settlement Agreement.

"Tobacco Settlement Act." The act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act.

Section 1712-A.1. Establishment of special fund and account.

(a) Tobacco Settlement Fund.—There is established a special fund known as the Tobacco Settlement Fund. All payments received by the

Commonwealth pursuant to the Master Settlement Agreement shall be deposited by the Treasury Department in the fund.

(b) Health Account.—There is established within the fund the Health Endowment Account for Long-Term Hope.

(c) Health Venture Investment Account.—There is established within the fund the Health Venture Investment Account.

Section 1713-A.1. Use of fund.

(a) Annual report.—The Governor shall report on the fund in the annual budget which shall include the amounts appropriated to each program.

(b) Appropriations.—

(1) The General Assembly appropriates moneys in the fund in accordance with the following percentages based on the annual payment received in each year:

(i) Thirteen percent for home and community-based services pursuant to Chapter 5 of the Tobacco Settlement Act.

(ii) Four and five-tenths percent for tobacco use prevention and cessation programs pursuant to Chapter 7 of the Tobacco Settlement Act.

(iii) Twelve and six-tenths percent for health and related research pursuant to section 906 of the Tobacco Settlement Act.

(iv) One percent for health and related research pursuant to section 909 of the Tobacco Settlement Act.

(v) Eight and eighteen one-hundredths percent for the uncompensated care payment program pursuant to Chapter 11 of the Tobacco Settlement Act.

(vi) Thirty percent for the purchase of Medicaid benefits for workers with disabilities pursuant to Chapter 15 of the Tobacco Settlement Act.

(vii) Eight percent for the expansion of the PACENET program pursuant to Chapter 23 of the Tobacco Settlement Act.

(viii) Twenty-two and seventy-two one-hundredths percent shall remain in the fund to be separately appropriated for health-related purposes.

(2) In addition, any Federal funds received for any of these programs are specifically appropriated to those programs.

(3) All other payments and revenue received in the fund other than the annual payment shall remain in the fund and are available to be appropriated for health-related purposes.

(c) Lapses.—Lapses shall remain in the fund except that lapses from money provided for the home and community-based care services shall be reallocated to the home and community-based care program for use in succeeding years.

(d) Lobbying restrictions.—No money derived from appropriations made by the General Assembly from the fund may be used for the lobbying of any State public official.

(e) Health venture investment account.—Notwithstanding Chapter 3 of the Tobacco Settlement Act, all assets, nonliquid investments, contractually obligated money, return on investments and any other money

or assets in the Health Venture Investment Account shall be retained in that account. The requirements for venture capital investments outlined in section 305(f) of the Tobacco Settlement Act shall be maintained. The board shall not enter into any partnerships or long-term investments through June 30, 2014.

(f) Allocation of local program funding.—

(1) Funding for local programs under section 708(b) of the Tobacco Settlement Act shall be allocated as follows:

(i) Thirty percent of grant funding to primary contractors for local programs shall be allocated equally among each of the 67 counties.

(ii) The remaining 70% of the grant funding to primary contractors for local programs shall be allocated on a per capita basis of each county with a population greater than 60,000. The per capita formula shall be applied only to that portion of the population that is greater than 60,000 for each county.

(2) Budgets shall be developed by each primary contractor to reflect service planning and expenditures in each county. Each primary contractor shall ensure that services are available to residents of each county and must expend the allocated funds on a per-county basis pursuant to paragraph (1) and this paragraph.¹

(3) The Department of Health shall compile a detailed annual report of expenditures per county and the specific programs offered in each region. This report shall be made available on the Department of Health's publicly available Internet website within 60 days following the close of each fiscal year.

(4) During the third quarter of the fiscal year, funds which have not been spent within a service area may be reallocated to support programming in the same region.

(g) Transfer.—The strategic contribution payment received in fiscal year 2012-2013, and all assets and cash in the Health Account, shall be transferred to the fund by August 1, 2013.

**SUBARTICLE C
PENNSYLVANIA RACE HORSE
DEVELOPMENT FUND**

Section 1721-A.1. Definitions.

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

"Account." The Pennsylvania Race Horse Development Restricted Receipts Account created in section 1722-A.1(b).

"Category 1 licensee." A person issued a category 1 license under 4 Pa.C.S. Ch. 13 (relating to licensees).

"Department." The Department of Revenue of the Commonwealth.

¹paragraphs (1) and (2)." in enrolled bill.

"Fund." *The Pennsylvania Race Horse Development Fund created in section 1722-A.1.*

"Gross terminal revenue." *The term shall have the same meaning as in 4 Pa.C.S. § 1103 (relating to definitions).*

"Horsemen's organization." *The term shall have the same meaning as in 4 Pa.C.S. § 1103 (relating to definitions).*

"Licensed gaming entity." *The term shall have the same meaning as in 4 Pa.C.S. § 1103 (relating to definitions).*

"Race Horse Industry Reform Act." *The act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act. Section 1722-A.1. Pennsylvania Race Horse Development Fund.*

(a) Fund established.—*There is established a Pennsylvania Race Horse Development Fund within the State Treasury.*

(b) Account established.—*There is established within the fund a restricted receipts account to be known as the Pennsylvania Race Horse Development Restricted Receipts Account.*

(c) Distributions.—*In accordance with section 1723-A.1, the department shall make distributions from the fund to each of the active and operating Category 1 licensees conducting live racing.*

Section 1723-A.1. Distributions from Pennsylvania Race Horse Development Fund.

Funds in the fund are appropriated to the department on a continuing basis for the purposes set forth in this subsection and shall be distributed to each active and operating Category 1 licensee conducting live racing as follows:

(1) An amount equal to 18% of the daily gross terminal revenue of each Category 1 licensee shall be distributed to each active and operating Category 1 licensee conducting live racing unless the daily assessments are affected by the daily assessment cap provided for in 4 Pa.C.S. § 1405(c) (relating to Pennsylvania Race Horse Development Fund). In cases in which the daily assessment cap affects daily assessments, the distribution to each active and operating Category 1 licensee conducting live racing for that day shall be a percentage of the total daily assessments paid into the fund for that day equal to the gross terminal revenue of each active and operating Category 1 licensee conducting live racing for that day divided by the total gross terminal revenue of all active and operating Category 1 licensees conducting live racing for that day. Except as provided in paragraphs (2) and (2.1), the distributions to licensed racing entities from the fund shall be allocated as follows:

(i) Eighty percent shall be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

(ii) For thoroughbred tracks, 16% shall be deposited on a monthly basis into the Pennsylvania Breeding Fund as defined in

section 223 of the Race Horse Industry Reform Act. For standardbred tracks, 8% shall be deposited on a monthly basis in the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act, and 8% shall be deposited on a monthly basis into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Fund. The State Harness Racing Commission shall, in consultation with the Secretary of Agriculture, by rule or by regulation, adopt a standardbred breeders program that will include the administration of the Pennsylvania Stallion Award, the Pennsylvania Bred Award and the Pennsylvania Sired and Bred Award.

(iii) Four percent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the State Horse Racing Commission or the State Harness Racing Commission. This amount shall be deposited within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, \$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization.

(2) For fiscal year 2013-2014, distributions from the fund shall be allocated as follows:

(i) Each week, \$802,682 in the fund shall be transferred to the account. This transfer shall not exceed \$17,659,000 annually.

(ii) Each week, the money remaining in the fund after any transfer under subparagraph (i) shall be distributed to each active and operating Category 1 licensee conducting live racing in accordance with the following formula:

(A) Divide:

(I) the total daily assessments paid, by each active and operating Category 1 licensee conducting live racing, into the fund for that week; by

(II) the total daily assessments paid, by all active and operating Category 1 licensees conducting live racing, into the fund for that week.

(B) Multiply the quotient under clause (A) by the amount to be distributed under this subparagraph.

(iii) The distribution under subparagraph (ii) shall be allocated as follows:

(A) The greater of 4% of the amount to be distributed under subparagraph (ii) or \$220,000 shall be used to fund health and

pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the State Horse Racing Commission or the State Harness Racing Commission. This amount shall be deposited within five business days of the end of each week into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, a minimum of \$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization. The total distribution under this clause in any fiscal year shall not exceed \$11,400,000.

(B) Of the money remaining to be distributed under subparagraph (ii) after application of clause (A), the following disbursements shall be made:

(I) Eighty-three and one-third percent of the money to be distributed under this clause shall be deposited on a weekly basis into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

(II) For thoroughbred tracks, 16 and 2/3% of the money to be distributed under this clause shall be deposited on a weekly basis into the Pennsylvania Breeding Fund established in section 223 of the Race Horse Industry Reform Act. For standardbred tracks, 8 and 1/3% of the money to be distributed under this clause shall be deposited on a weekly basis into the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act; and 8 and 1/3% of the money to be distributed under this clause shall be deposited on a weekly basis into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Fund. The State Harness Racing Commission shall, in consultation with the Secretary of Agriculture, promulgate regulations adopting a standardbred breeders program that will include the administration of the Pennsylvania Stallion Award, the Pennsylvania Bred Award and the Pennsylvania Sired and Bred Award.

Section 15. Repeals are as follows:

(1) The General Assembly finds and declares as follows:

(i) Each year, articles on budget implementation are added to the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

(ii) These articles are temporary in nature but are placed permanently into the act, utilizing article numbers and section numbers.

(iii) Reusing article numbers and section numbers will keep the text of the act more concise.

(iv) The repeals under paragraph (2) are necessary to effectuate subparagraph (iii).

(2) Articles XVII-H and XVII-I of the act, added July 4, 2008 (P.L.629, No.53), are repealed.

Section 16. The act is amended by adding a section to read:

Section 1796-E. Motor License Fund.

Notwithstanding any other provision of law to the contrary, all fines, forfeited recognizances and other forfeitures imposed, lost or forfeited, and all penalties, payable to the Commonwealth for credit to the Motor License Fund under 42 Pa.C.S. § 3571(b) (relating to Commonwealth portion of fines, etc.) shall be credited to the General Fund.

Section 17. Sections 1729-F(2)(vi)(A) and 1719-G of the act, repealed and added July 2, 2012 (P.L.823, No.87), are amended to read:

Section 1729-F. Department of Public Welfare.

The following shall apply to appropriations for the Department of Public Welfare from the General Appropriation Act:

* * *

(2) Federal and State medical assistance payments. The following shall apply:

* * *

(vi) Qualifying academic medical centers which received funds for the fiscal year 2011-2012 shall not receive any less than the State appropriation made available to those academic medical centers during fiscal year 2011-2012. From funds appropriated for qualifying academic medical centers:

(A) \$2,000,000 shall be distributed to an academic medical center located in a [third] *fourth* class county with a population between [210,000 and 215,000] *168,000 and 170,500* under the 2010 Federal decennial census;

* * *

[Section 1719-G. Veterans' Trust Fund.

There is established a Veterans' Trust Fund in the State Treasury. Upon the sale of lands, buildings or other real estate used for veterans services or programs under the jurisdiction of the Department of Military and Veterans Affairs, \$1,700,000 shall be transferred from the General Fund and deposited into the Veterans' Trust Fund for veterans' services. The sum of \$700,000 is appropriated to the Department of Military and Veterans Affairs for veterans' service organizations.]

Section 18. The act is amended by adding articles to read:

ARTICLE XVII-H
2013-2014 BUDGET IMPLEMENTATION
SUBARTICLE A
PRELIMINARY PROVISIONS

Section 1701-H. Applicability.

Except as specifically provided in this article, this article applies to the General Appropriation Act and all other appropriation acts of 2013.

Section 1702-H. Definitions.

(a) Definitions.—The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"General Appropriation Act." The act of June 30, 2013 (P.L.1277, No.1A), known as the General Appropriation Act of 2013.

"Secretary." The Secretary of the Budget of the Commonwealth.

(b) Abbreviations.—The following abbreviations when used in this article shall have the meanings given to them in this section:

"AIDS." Acquired Immune Deficiency Syndrome.

"ARC." Appalachian Regional Commission.

"ARRA." The American Recovery and Reinvestment Act of 2009 (Public Law 111-5, 123 Stat. 115).

"BG." Block Grant.

"CCDFBG." Child Care and Development Fund Block Grant.

"CSBG." Community Services Block Grant.

"DCSI." Drug Control and Systems Improvement Formula Grant Program.

"DFSC." The Safe and Drug-Free Schools and Communities Act (Public Law 107-110, 20 U.S.C. § 7101 et seq.).

"DOE." Department of Energy.

"EEOC." Equal Employment Opportunity Commission.

"EPA." Environmental Protection Agency.

"ESEA." The Elementary and Secondary Education Act of 1965 (Public Law 89-10, 20 U.S.C. § 6301 et seq.).

"FEMA." Federal Emergency Management Agency.

"FTA." Federal Transit Administration.

"HUD." Department of Housing and Urban Development.

"ID." Intellectual Disability.

"LIHEABG." Low-Income Home Energy Assistance Block Grant.

"LSTA." The Library Services and Technology Act (Public Law 104-208, 20 U.S.C. § 9101 et seq.).

"MCHSBG." Maternal and Child Health Services Block Grant.

"MHSBG." Mental Health Services Block Grant.

"PAFE." Pennsylvania Agricultural Food Exposition.

"PHHSBG." Preventive Health and Health Services Block Grant.

"RSAT." Residential Substance Abuse Treatment.

"SABG." Substance Abuse Block Grant.

"SCDBG." Small Communities Development Block Grant.

"SDA." Service Delivery Area.

"SSBG." Social Services Block Grant.

"TANF." Temporary Assistance for Needy Families.

"TANFBG." Temporary Assistance for Needy Families Block Grant.

"TEFAP." Temporary Emergency Food Assistance Program.

"WIA." The Workforce Investment Act of 1998 (Public Law 105-220, 112 Stat. 936).

"WIC." Women, Infants and Children Program.

SUBARTICLE B

EXECUTIVE DEPARTMENT

Section 1711-H. Governor (Reserved).

Section 1712-H. Executive Offices.

(1) Funds appropriated to the Pennsylvania Commission on Crime and Delinquency for intermediate punishment treatment programs shall be distributed competitively to counties for offenders sentenced to intermediate punishment programs. The portion of funds for drug and alcohol treatment shall be based on national statistics that identify the percentage of incarcerated individuals that are in need of treatment for substance issues but in no case shall be less than 80% of the amount appropriated.

(2) From funds appropriated to the commission, at least \$285,000 shall be used to support the Statewide Automated Victim Information and Notification System (SAVIN) to provide offender information through county jails and \$200,000 shall be used for a residential treatment community facility for at-risk youth located in a county of the fifth class.

(3) From funds appropriated for violence prevention programs, at least \$250,000 shall be used for programs in a city of the second class, and at least \$450,000 shall be used for programs in a city of the first class.

Section 1713-H. Lieutenant Governor (Reserved).

Section 1714-H. Attorney General (Reserved).

Section 1715-H. Auditor General (Reserved).

Section 1716-H. Treasury Department (Reserved).

Section 1717-H. Department of Aging (Reserved).

Section 1718-H. Department of Agriculture.

(1) From funds appropriated for agricultural research, at least \$300,000 shall be used for the creation of an agricultural resource center in conjunction with a land-grant university.

(2) At least 80% of the funds appropriated for hardwoods research and promotion shall be equally distributed among the hardwood utilization groups of this Commonwealth established prior to the effective date of this section.

(3) From funds appropriated for State food purchase, \$100,000 shall be allocated to a nonprofit organization in a city of the second class that provides social services, including housing programs and hunger programs.

Section 1719-H. Department of Community and Economic Development.

The following shall apply to appropriations for the Department of Community and Economic Development:

(1) For fiscal year 2013-2014, \$500,000 of the funds appropriated for Keystone Communities shall be used for the restoration of a historic property to provide affordable housing in a county of the fourth class with a population, based on the most recent Federal decennial census, of at least 150,000 but not more than 155,000. The remaining funds include an allocation for the Main Street and Elm Street programs which are distributed in the same proportion as amounts allocated in fiscal year 2012-2013.

(2) The sum of \$4,425,000 of the funds appropriated for marketing to attract tourists includes an allocation to plan and market a biennial arts and cultural activity which generates Statewide and regional economic impact, allocations to promote annual arts and cultural activities and an allocation of \$450,000 for reimbursement of costs related to activities commemorating the Civil War.

(3) From funds appropriated for Pennsylvania First, \$300,000 shall be used to provide technical education and training.

Section 1720-H. Department of Conservation and Natural Resources (Reserved).

Section 1721-H. Department of Corrections (Reserved).

Section 1722-H. Department of Education.

The following shall apply to appropriations for the Department of Education in the General Appropriation Act:

(1) From funds appropriated for general government operations, \$50,000 shall be allocated to promote a national veteran's education program.

(2) From an appropriation for adult and family literacy programs, summer reading programs and the adult high school diplomas program, \$400,000 shall be allocated for an after-school learning program servicing low-income students located in a county of the sixth class with a population, based on the most recent Federal decennial census, of at least 60,000 but not more than 70,000.

(3) From funds appropriated for mobile science and math education programs, \$50,000 shall be used for a math education program that targets middle school students, \$150,000 shall be allocated to a nautical science center in a county of the second class, and \$14,000 shall be allocated for a math laboratory in a school district in a city of the third class located in a county of the third class.

(4) In addition to funds allocated under section 1905-D of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, funds appropriated for community education councils shall be distributed as follows:

(i) No less than \$480,000 for an education consortium serving Cameron, Clarion, Clearfield, Crawford, Elk, Forest, Jefferson, McKean, Potter, Venango and Warren Counties.

(ii) No less than \$143,000 for a community education council located in Wayne County.

(iii) No less than \$50,000 for an education partnership located in Lackawanna County that previously received funding from the department for a postsecondary career training grant and is currently providing community education services which support business education.

(5) From funds appropriated for regional community college services, \$500,000 shall be distributed to a community college in a county of the fourth class with a population, based on the most recent Federal decennial census, of at least 175,000 but not more than 190,000.

(6) From funds appropriated for Pennsylvania Charter Schools for the Deaf and Blind, \$1,107,000 shall be distributed pro rata based on each school's share of required contributions for public school employees' retirement.

(7) Notwithstanding section 1724-A of the Public School Code of 1949 or 24 Pa.C.S. § 8329 (relating to payments on account of social security deductions from appropriations), no payments shall be made to charter schools or cyber charter schools authorized under Article XVII-A of the Public School Code of 1949 from funds appropriated for school employee's Social Security.

(8) Notwithstanding any other provision of law, funds from the set-aside under section 2509.8(e) of the Public School Code of 1949 shall be allocated to each approved private school with a day tuition rate determined to be less than \$32,000 during the 2010-2011 school year. The allocation shall be determined as follows:

(i) Subtract:

(A) the approved private school's 2010-2011 school year day tuition rate; from

(B) \$38,072.

(ii) Multiply:

(A) the difference under subparagraph (i); by

(B) the number of approved students enrolled in the approved private school during the 2010-2011 school year.

(9) Forty-five million dollars shall be deposited in a restricted receipt account in the General Fund and shall be distributed by the Department of Revenue to a city of the first class if:

(i) the city has entered into a grant agreement for that amount with a school district of the first class that has been declared distressed under section 691(c) of the Public School Code of 1949; and

(ii) the grant agreement does not take effect until the Secretary of Education has issued a written certification that the school district has, in the judgment of the Secretary of Education, begun implementation of reforms that will provide for the district's fiscal stability, educational improvement and operational control.

Section 1723-H. Department of Environmental Protection.

The following shall apply to appropriations for the Department of Environmental Protection in the General Appropriation Act:

(1) Notwithstanding section 502 of the act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as the Alternative Energy Investment Act, in fiscal year 2013-2014, no funds shall be appropriated from the General Fund to the department for the Consumer Energy Program. Any appropriation for fiscal year 2013-2014 is revoked.

(2) From funds appropriated for environmental program management, \$150,000 shall be used for independent research regarding natural gas drilling.

(3) From funds appropriated for sewage facilities planning grants, the department shall give funding priority to approved grant applications from municipalities in counties of the sixth, seventh and eighth class.

(4) Not later than 60 days after the effective date of this section, the department shall pay or transfer \$9,516,932 of the unexpended Alternative Energy Series 2010B proceeds allocated to the department pursuant to section 304(a) of the Alternative Energy Investment Act to the Commonwealth Financing Authority for the payment of interest due during fiscal year 2013-2014 on the authority's alternative energy tax exempt bond issues.

Section 1724-H. Department of General Services (Reserved).

Section 1725-H. Department of Health.

(1) From funds appropriated for general government operations, \$50,000 is included for outreach to identify children in need of professional eye examinations and eye care, and sufficient funds are included for the coordination of donated dental services.

(2) From funds appropriated for adult cystic fibrosis and other chronic respiratory illnesses, at least \$200,000 shall be used for a program promoting cystic fibrosis research in a county of the second class, and \$100,000 shall be used for research related to childhood cystic fibrosis in a city of the first class with a hospital that is nationally accredited as a cystic fibrosis treatment center and specializes in the treatment of children.

(3) Funds appropriated for lupus programs shall be distributed in the same proportion as distributed in fiscal year 2012-2013.

(4) Funds appropriated for biotechnology research include allocations for regenerative medicine research, for regenerative medicine medical technology, for hepatitis and viral research, for drug research and clinical trials related to cancer, for genetic and molecular research for disease identification and eradication, for a study related to nanotechnology and for the commercialization of applied research.

Section 1726-H. Insurance Department (Reserved).

Section 1727-H. Department of Labor and Industry.

The following shall apply to appropriations for the Department of Labor and Industry from the General Appropriation Act:

(1) From funds appropriated to the department for general government operations, \$250,000 shall be used for the purchase of transportation assistance for job retention, job training and job search activities for displaced, unemployed and disabled individuals and families in counties of the second class.

(2) The appropriation for payment to the Vocational Rehabilitation Fund for work of the State Board of Vocational Rehabilitation includes \$2,153,000 for a Statewide professional service provider association for the blind to provide specialized services and prevention of blindness services and \$431,000 to provide specialized services and prevention of blindness services in cities of the first class.

(3) From funds appropriated for Industry Partnerships, \$200,000 shall be allocated for a workforce development program that links veterans with employment in a home rule county that was formerly a county of the second class A.

Section 1728-H. Department of Military and Veterans Affairs.

From funds appropriated for veterans outreach, \$100,000 shall be allocated to an association of veterans that promotes civic duty in a county of the second class A and at least \$250,000 shall be used for programs providing treatment for post-traumatic stress disorder for veterans.

Section 1729-H. Department of Public Welfare.

The following shall apply to appropriations for the Department of Public Welfare from the General Appropriation Act:

(1) Authorized transfers for child-care services. The following shall apply:

(i) The department, upon approval of the secretary, may transfer Federal funds appropriated for TANFBG Child Care Assistance to the CCDFBG Child Care Services appropriation to provide child-care services to additional low-income families if the transfer of funds will not result in a deficit in the appropriation. The secretary shall provide notice ten days prior to a transfer under this subparagraph to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(ii) The department, upon approval of the secretary, may transfer Federal funds appropriated for CCDFBG Child Care Assistance to the CCDFBG Child Care Services appropriation to provide child-care services to additional low-income families, provided that the transfer of funds will not result in a deficit in the appropriation. The secretary shall provide notice ten days prior to a transfer under this subparagraph to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(2) Administration of Human Services Block Grant. The department shall allocate and disburse the following State money appropriated in the General Appropriation Act for the Human Services Block Grant Pilot Program established under Article XIV-B of the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, to counties participating in that program: for mental health services, including grants to counties exclusive of capital improvements; for medical assistance payments - outpatient services, exclusive of outpatient services provided through capitation plans; for behavioral

health services; for intellectual disabilities - community-based program, exclusive of capital improvements, which shall include grants to counties for noninstitutional programs; for payments and services to counties for children and youth programs and for the care of delinquent and dependent children; and for provision of services to the homeless. Each county in the pilot program may adjust its expenditure of its Human Services Block Grant Pilot Program allocation among these appropriations in accordance with, and as authorized by, the applicable provisions of Article XIV-B of the Public Welfare Code.

(3) Federal and State medical assistance payments. The following shall apply:

(i) For fiscal year 2013-2014, payments to hospitals for Community Access Fund grants shall be distributed under the formulas utilized for these grants in fiscal year 2012-2013. If the total funding available under this subparagraph is less than that available in fiscal year 2012-2013, payments shall be made on a pro rata basis.

(ii) Funds appropriated for medical assistance transportation shall only be utilized as a payment of last resort for transportation for eligible medical assistance recipients.

(iii) Amounts allocated from funds appropriated for medical assistance outpatient services for the Select Plan for Women Preventative Health Services shall be used for women's medical services, including noninvasive contraception supplies.

(iv) Federal or State funds appropriated under the General Appropriation Act in accordance with Article VIII-H of the Public Welfare Code not used to make payments to hospitals qualifying as Level III trauma centers or seeking accreditation as Level III trauma centers shall be used to make payments to hospitals qualifying as Levels I and II trauma centers.

(v) Qualifying university-affiliated physician practice plans which received funds for fiscal year 2012-2013 shall not receive any less than the State appropriation made available to those university-affiliated physician practice plans during fiscal year 2012-2013. From funds appropriated for physician practice plans:

(A) \$1,500,000 shall be distributed to a physician practice plan serving a health system located in a city of the first class and a contiguous county of the second class A which did receive funding during fiscal year 2012-2013;

(B) at least \$500,000 shall be distributed to a physician practice plan serving a hospital located in a county of the second class A which did not receive funding in fiscal year 2012-2013; and

(C) at least \$500,000 shall be distributed to a physician practice plan serving a health system located in a city of the first class and two contiguous counties of the second class A, that has an independent academic medical center which did not receive funding during fiscal year 2012-2013.

(vi) Qualifying academic medical centers which received funds for fiscal year 2012-2013 shall not receive any less than the State appropriation made available to those academic medical centers during fiscal year 2012-2013. From funds appropriated for qualifying academic medical centers, a qualifying academic medical center establishing a regional campus located in a county of the fourth class shall receive an additional \$2,500,000 and an additional \$1,500,000 for a qualifying academic medical center in a city of the second class.

(vii) Notwithstanding any other law, funds appropriated for medical assistance payments for inpatient care, exclusive of inpatient services provided through capitation plans, shall include sufficient funds for two separate All Patient Refined Diagnostic Related Group payments for inpatient acute care general hospital stays for:

(A) normal newborn care; and

(B) mothers' obstetrical delivery.

(viii) From funds appropriated for medical assistance payments for inpatient care, \$150,000 shall be used for treatment of cleft palates and other craniofacial anomalies, and at least \$1,200,000 shall be provided to a hospital in a county of the third class to study and identify the primary predictors of super utilization in patients.

(ix) From funds appropriated for medical assistance capitation, \$150,000 shall be used for prevention and treatment of depression and its complications in older Pennsylvanians in a county of the second class.

(x) From funds appropriated for medical assistance - long-term care, \$2,000,000 shall be distributed to county nursing homes located in a home rule county that was formerly a county of the second class A which have a medical assistance occupancy rate of at least 85%.

(4) Breast cancer screening. The following shall apply:

(i) Funds appropriated for breast cancer screening may be used for women's medical services, including noninvasive contraception supplies.

(ii) (Reserved).

(5) Women's service programs. The following shall apply:

(i) Funds appropriated for women's service programs grants to nonprofit agencies whose primary function is to promote childbirth and provide alternatives to abortion shall be expended to provide services to women until childbirth and for up to 12 months thereafter, including food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for postdelivery stress and other supportive programs and services and for related outreach programs. Agencies may subcontract with other nonprofit entities which operate projects designed specifically to provide all or a portion of these services. Projects receiving funds referred to in this subparagraph shall not promote, refer for or perform abortions or engage in any counseling which is inconsistent with the

appropriation referred to in this subparagraph and shall be physically and financially separate from any component of any legal entity engaging in such activities.

(ii) Federal funds appropriated for TANFBG Alternatives to Abortion shall be utilized solely for services to women whose gross family income is below 185% of the Federal poverty guidelines.

(6) (Reserved).

(6.1) Community-based family centers. No funds appropriated for community-based family centers may be considered as part of the base for calculation of the county child welfare needs-based budget for a fiscal year.

(7) The provisions of 8 U.S.C. §§ 1611 (relating to aliens who are not qualified aliens ineligible for Federal public benefits), 1612 (relating to limited eligibility of qualified aliens for certain Federal programs) and 1642 (relating to verification of eligibility for Federal public benefits) shall apply to payments and providers.

(8) To supplement the funds appropriated to the department for medical assistance for workers with disabilities, in addition to the monthly premium established in section 1503(b)(1) of the act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, the department may adjust the percentage of the premium upon approval of the Centers for Medicare and Medicaid Services as authorized under Federal requirements. Failure to make payments in accordance with this paragraph or section 1503(b)(1) of the Tobacco Settlement Act shall result in the termination of medical assistance coverage.

(9) From funds appropriated for autism intervention and services, \$450,000 shall be distributed to a behavioral health facility located in a fifth class county with a population between 130,000 and 135,000 under the 2010 Federal decennial census that operates a center for autism and developmental disabilities, \$240,000 shall be distributed to an institution of higher education which provides autism education and diagnostic curriculum located in a city of the first class that operates a center for autism in a county of the second class A, \$240,000 shall be distributed to an institution of higher education which provides autism education and diagnostic curriculum and is located in a county of the second class and \$200,000 shall be allocated to programs to promote the health and fitness of persons with developmental disabilities located in a city of the first class.

Section 1730-H. Department of Revenue.

The following shall apply to appropriations for the Department of Revenue in the General Appropriation Act:

(1) The Enhanced Revenue Collection Account created under section 1730-L for fiscal years 2010-2011 and 2011-2012 shall continue through fiscal year 2019-2020. Revenues collected and the amount of refunds avoided as a result of expanded tax return reviews and tax collection activities shall be deposited into the account. The following shall apply:

(i) Of the funds in the account, for each of the fiscal years 2013-2014 through fiscal year 2019-2020, up to \$15,000,000 is

appropriated to the department to fund the costs associated with increased tax collection enforcement and reduction in tax refund errors. The balance of the funds in the account on June 15, 2012, and each June 15 thereafter shall be transferred to the General Fund or other authorized fund.

(ii) The department shall issue a report to the Governor, the majority chair and the minority chair of the Appropriations Committee of the Senate and the majority chair and minority chair of the Appropriations Committee of the House of Representatives by June 1, 2013, and by each June 1 thereafter, with the following information:

(A) A detailed breakdown of the department's administrative costs in implementing the activities described under this section.

(B) The amount of revenue collected and the amount of refunds avoided as a result of the activities described under this paragraph, including details of the type of tax generating the revenue and avoided refunds.

(2) (Reserved).

Section 1731-H. Department of State (Reserved).

Section 1732-H. Department of Transportation (Reserved).

Section 1733-H. Pennsylvania State Police.

The following shall apply to appropriations for the Pennsylvania State Police from the General Appropriation Act:

(1) Payments made to municipalities under 53 Pa.C.S. § 2170 (relating to reimbursement of expenses) shall be limited to money available. If money is not available to make full payments, the Municipal Police Officers' Education and Training Commission shall make payments on a pro rata basis.

(2) Money appropriated for general government operations includes adequate funding for the recruitment, education and training of 290 cadets enrolled in a total of three cadet classes.

Section 1734-H. (Reserved).

Section 1735-H. Pennsylvania Emergency Management Agency (Reserved).

Section 1736-H. Pennsylvania Fish and Boat Commission (Reserved).

Section 1737-H. State System of Higher Education (Reserved).

Section 1737.1-H. State-related institutions (Reserved).

Section 1738-H. Pennsylvania Higher Education Assistance Agency (Reserved).

Section 1739-H. Pennsylvania Historical and Museum Commission.

Funds appropriated to the Pennsylvania Historical and Museum Commission include funds for the commission to enter into an agreement with the Department of Conservation and Natural Resources regarding the ownership, management and operation of Washington Crossing Historic Park located in Bucks County. Within 120 days of the effective date of this section, the commission shall demonstrate to the Department of Conservation and Natural Resources that it has clear title to Washington Crossing Historic Park. Upon demonstration, the commission and the

Department of Conservation and Natural Resources shall enter into an agreement regarding the management of the facilities, current employee complement, current and pending contracts and associated capital and operational costs. The agreement shall be contingent upon an adequate funding appropriation as determined by the Department of Conservation and Natural Resources and shall give consideration to the use of capital funds authorized for Washington Crossing Historic Park. The commission shall not renew any agreements or enter into any new agreements pending the execution of the agreement between the commission and the Department of Conservation and Natural Resources. Nothing in this section shall prohibit the Department of Conservation and Natural Resources from establishing volunteer groups as it deems appropriate to assist it in the operation of Washington Crossing Historic Park.

Section 1740-H. Pennsylvania Infrastructure Investment Authority (Reserved).

Section 1741-H. Environmental Hearing Board (Reserved).

Section 1742-H. Pennsylvania Board of Probation and Parole (Reserved).

Section 1743-H. Pennsylvania Gaming Control Board.

Notwithstanding 4 Pa.C.S. Pt. II (relating to gaming) or any other provision of law to the contrary, any payment of a slot machine license fee under 4 Pa.C.S. § 1209 (relating to slot machine license fee) received by the Pennsylvania Gaming Control Board after June 30, 2013, shall be deposited in and credited to the General Fund.

Section 1744-H. (Reserved).

Section 1745-H. (Reserved).

Section 1746-H. (Reserved).

Section 1747-H. (Reserved).

Section 1748-H. Commonwealth Financing Authority (Reserved).

Section 1749-H. Thaddeus Stevens College of Technology (Reserved).

Section 1750-H. Pennsylvania Housing Finance Agency (Reserved).

Section 1751-H. LIHEABG (Reserved).

SUBARTICLE C STATE GOVERNMENT SUPPORT AGENCIES

Section 1761-H. Health Care Cost Containment Council.

The proceeds received from the sale of data may be used for the operations of the council.

Section 1762-H. State Ethics Commission (Reserved).

Section 1763-H. Legislative Reference Bureau (Reserved).

Section 1764-H. Legislative Budget and Finance Committee (Reserved).

Section 1765-H. Legislative Data Processing Committee (Reserved).

Section 1766-H. Joint State Government Commission (Reserved).

Section 1767-H. Joint Legislative Air and Water Pollution Control and Conservation Committee (Reserved).

Section 1768-H. Legislative Audit Advisory Commission (Reserved).

Section 1769-H. Independent Regulatory Review Commission (Reserved).

Section 1770-H. Capitol Preservation Committee (Reserved).

Section 1771-H. Pennsylvania Commission on Sentencing (Reserved).

- Section 1772-H. Center for Rural Pennsylvania (Reserved).*
Section 1773-H. Commonwealth Mail Processing Center (Reserved).
Section 1774-H. Transfers (Reserved).

SUBARTICLE D
JUDICIAL DEPARTMENT

- Section 1781-H. Supreme Court (Reserved).*
Section 1782-H. Superior Court (Reserved).
Section 1783-H. Commonwealth Court (Reserved).
Section 1784-H. Courts of common pleas (Reserved).
Section 1785-H. Community courts; magisterial district judges (Reserved).
Section 1786-H. Philadelphia Traffic Court (Reserved).
Section 1787-H. Philadelphia Municipal Court (Reserved).
Section 1788-H. Judicial Conduct Board (Reserved).
Section 1789-H. Court of Judicial Discipline (Reserved).
Section 1790-H. Juror cost reimbursement (Reserved).
Section 1791-H. County court reimbursement (Reserved).
Section 1792-H. Senior judges (Reserved).
Section 1793-H. Transfer of funds by Supreme Court (Reserved).

SUBARTICLE E
GENERAL ASSEMBLY
(Reserved)

ARTICLE XVII-I
2013-2014 RESTRICTIONS ON APPROPRIATIONS
FOR FUNDS AND ACCOUNTS

Section 1701-I. Applicability.

Except as specifically provided in this article, this article applies to the act of June 30, 2013 (P.L.1277, No.1A), known as the General Appropriation Act of 2013, and all other appropriation acts of 2013.

Section 1702-I. State Lottery Fund.

(1) Funds appropriated for PENNCARE shall not be utilized for administrative costs by the Department of Aging.

(2) (Reserved).

Section 1703-I. Energy Conservation and Assistance Fund (Reserved).

Section 1704-I. Judicial Computer System Augmentation Account (Reserved).

Section 1704.1-I. Access to Justice Account (Reserved).

Section 1705-I. Emergency Medical Services Operating Fund (Reserved).

Section 1706-I. The State Stores Fund (Reserved).

Section 1707-I. Motor License Fund (Reserved).

Section 1708-I. Hazardous Material Response Fund (Reserved).

Section 1709-I. Milk Marketing Fund (Reserved).

Section 1710-I. HOME Investment Trust Fund (Reserved).

Section 1711-I. Tuition Payment Fund (Reserved).

Section 1712-I. Banking Fund (Reserved).

Section 1713-I. Firearm Records Check Fund (Reserved).

Section 1714-I. Ben Franklin Technology Development Authority Fund (Reserved).

Section 1715-I. Tobacco Settlement Fund (Reserved).

Section 1716-I. (Reserved).

Section 1717-I. Restricted receipt accounts.

(a) General provisions.—The secretary may create restricted receipt accounts for the purpose of administering Federal grants only for the purposes designated in this section.

(b) Department of Community and Economic Development.—The following restricted receipt accounts may be established for the Department of Community and Economic Development:

(1) ARC Housing Revolving Loan Program.

(2) (Reserved).

(c) Department of Conservation and Natural Resources.—The following restricted receipt accounts may be established for the Department of Conservation and Natural Resources:

(1) Federal Aid to Volunteer Fire Companies.

(2) Federal Land and Water Conservation Fund Act.

(3) National Forest Reserve Allotment.

(4) Federal Land and Water Conservation Fund Act - Conservation and Natural Resources.

(d) Department of Education.—The following restricted receipt accounts may be established for the Department of Education:

(1) Education of the Disabled - Part C.

(2) LSTA - Library Grants.

(3) The Pennsylvania State University Federal Aid.

(4) Emergency Immigration Education Assistance.

(5) Education of the Disabled - Part D.

(6) Homeless Adult Assistance Program.

(7) Severely Handicapped.

(8) Medical Assistance Reimbursements to Local Education Agencies.

(e) Department of Environmental Protection.—The following restricted receipt accounts may be established for the Department of Environmental Protection:

(1) Federal Water Resources Planning Act.

(2) Flood Control Payments.

(3) Soil and Water Conservation Act - Inventory of Programs.

(f) Department of Drug and Alcohol Programs.—The following restricted receipt accounts may be established for the Department of Drug and Alcohol Programs:

(1) Share Loan Program.

(2) (Reserved).

(g) Department of Transportation.—The following restricted receipt accounts may be established for the Department of Transportation:

(1) Capital Assistance Elderly and Handicapped Programs.

(2) Railroad Rehabilitation and Improvement Assistance.

(3) Ridesharing/Van Pool Program - Acquisition.

(h) Pennsylvania Emergency Management Agency.—The following restricted receipt accounts may be established for the Pennsylvania Emergency Management Agency:

(1) Receipts from Federal Government - Disaster Relief - Disaster Relief Assistance to State and Political Subdivisions.

(2) (Reserved).

(i) Pennsylvania Historical and Museum Commission.—The following restricted receipt accounts may be established for the Pennsylvania Historical and Museum Commission:

(1) Federal Grant - National Historic Preservation Act.

(2) (Reserved).

(j) Executive Offices.—The following restricted receipt accounts may be established for the Executive Offices:

(1) Retired Employees Medicare Part D.

(2) Justice Assistance.

(3) Juvenile Accountability Incentive.

(4) Early Retiree Reinsurance Program.

Section 1718-I. State Gaming Fund (Reserved).

Section 1719-I. Veterans' Trust Fund (Reserved).

Section 1720-I. State Farm Products Show Fund (Reserved).

Section 1721-I. Pennsylvania Race Horse Development Fund (Reserved).

Section 19. Section 1701-O of the act, amended July 2, 2012 (P.L.823, No.87), is amended to read:

Section 1701-O. Audits of Race Horse Development [**Funds**] **Fund**.

The following shall apply:

(1) By December 31, 2011, and each December 31 thereafter, the Office of the Budget shall conduct a financial audit of all funds distributed under 4 Pa.C.S. § 1406 (relating to distributions from Pennsylvania Race Horse Development Fund) for the prior fiscal year. The audit [**shall**] **may** include recommendations for changes relating to the maintenance, use or administration of these funds.

(2) The audits and audited financial statements required under this section shall be open to the public.

(3) The following apply:

(i) Each horsemen's organization shall, within 90 days after the end of the organization's fiscal year, prepare annual financial statements in accordance with generally accepted accounting principles for the horsemen's organization and all of its affiliates.

(ii) The financial statements required under subparagraph (i) shall be prepared beginning in the horsemen's organization fiscal year ending prior to June 30, 2011, and for each fiscal year thereafter.

(iii) The financial statements required under subparagraph (i) shall include additional information as necessary to reconcile the information in the financial statement to the amounts received by the horsemen's organization during the same fiscal year and as otherwise directed by the Office of the Budget.

(4) The office shall engage independent certified public accountants or actuaries to conduct the audit under paragraph (1) and to audit the annual financial statements and accompanying additional information

filed under paragraph (3) for each fiscal year. The office shall provide copies of each audit to the persons listed in paragraph (5)(ii), (iii), (iv) and (v).

(5) Within ten days of completion of the audits under paragraphs (1) and (4), the horsemen's organization shall provide all financial statements[, **reports and additional information**] *and reports* required under paragraph (3) to all of the following within 90 days of the end of the organization's fiscal year:

(i) The Department of Agriculture.

(ii) The chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives.

(iii) The chairman and minority chairman of the Agriculture and Rural Affairs Committee of the Senate and the chairman and minority chairmen of the Agriculture and Rural Affairs Committee of the House of Representatives.

(iv) The Pennsylvania Gaming Control Board.

(v) The State Horse Racing Commission and the State Harness Racing Commission.

(5.1) Within 90 days of a written request by the Office of the Budget for additional information, the horsemen's organization shall provide the additional information.

(6) All distributions under 4 Pa.C.S. § 1406 shall be suspended for any horsemen's organization that the office certifies is out of compliance with the requirements of this section.

(7) Each horsemen's organization shall cooperate fully with all audits under this section and shall reimburse the office for all fees and costs to administer this section.

(8) For the purposes of this section, the term "horsemen's organization" shall have the same meaning as defined under 4 Pa.C.S. § 1103 (relating to definitions).

Section 19.1. Any grant under section 1722-H(9) of the act shall not be considered in satisfying the requirement of section 696(h) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

Section 19.2. The sum of \$100,000 is hereby appropriated from the Manville Property Damage Settlement Account to the Department of Labor and Industry for grants related to asbestos abatement.

Section 19.3. The General Assembly declares that there will be funds available in fiscal year 2013-2014 in the Oil and Gas Lease Fund to support the appropriations from the fund to the Department of Conservation and Natural Resources made in the act of June 30, 2013 (P.L.1277, No.1A), known as the General Appropriation Act of 2013.

Section 20. Repeals are as follows:

(1) The General Assembly declares that the repeals under paragraphs (2) and (3) are necessary to effectuate the repeal of sections 606 and 708 of the act.

(2) The act of July 15, 1919 (P.L.954, No.374), entitled "An act providing for the collection and payment over to the Commonwealth by

private and public corporations of State taxes on scrip, bonds, certificates, and evidences of indebtedness issued or assumed by such corporations, and requiring certain reports in connection therewith," is repealed.

(3) Sections 17 and 18 of the act of June 22, 1935 (P.L.414, No.182), known as the State Personal Property Tax Act, are repealed.

(4) The General Assembly declares that the repeal under paragraph (5) is necessary to effectuate the addition of Subarticle B of Article XVII-A.1 of the act.

(5) Sections 303, 306 and 307 of the act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, are repealed.

(6) The General Assembly declares that the repeal under paragraph (7) is necessary to effectuate the addition of Subarticle C of Article XVII-A.1 of the act.

(7) 4 Pa.C.S. §§ 1405(a) and (d) and 1406(a) are repealed.

(8) 58 Pa.C.S. § 2315 is repealed insofar as it is inconsistent with the addition of section 1774.1-A of the act.

Section 21. The following provisions shall apply to tax years beginning after December 31, 2013:

(1) The repeal of sections 606 and 708 of the act.

(2) Section 20(1), (2) and (3) of this act.

Section 21.1. Section 3 of this act¹ shall apply to reports, returns or other documents due on or after January 1, 2014.

Section 22. The effective date of the amendments of sections 9 and 10 of the act, under section 23(1) of this act, is not dependent upon rulemaking by the Department of Revenue nor the State Treasurer.

Section 23. This act shall take effect as follows:

(1) The following provisions shall take effect January 1, 2014:

(i) The amendment of section 9 of the act.

(ii) The amendment of section 10 of the act.

(2) The amendment of section 1701-O of the act shall take effect in 60 days.

(3) The remainder of this act shall take effect July 1, 2013, or immediately, whichever is later.

APPROVED—The 18th day of July, A.D. 2013

TOM CORBETT

¹"Section 3 of the act" in enrolled bill.