

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 358 Session of
2007

INTRODUCED BY RAPP, CAUSER, HUTCHINSON, KAUFFMAN, BAKER,
BENNINGHOFF, BEYER, CALTAGIRONE, CAPPELLI, CLYMER, CREIGHTON,
GALLOWAY, GEORGE, GINGRICH, GRELL, M. KELLER, KILLION,
McILHATTAN, SCAVELLO, SOLOBAY, SONNEY, STABACK, STERN, VEREB
AND YOUNGBLOOD, FEBRUARY 9, 2007

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 9, 2007

AN ACT

1 Amending the act of December 18, 1984 (P.L.1005, No.205),
2 entitled "An act mandating actuarial funding standards for
3 all municipal pension systems; establishing a recovery
4 program for municipal pension systems determined to be
5 financially distressed; providing for the distribution of the
6 tax on the premiums of foreign fire insurance companies; and
7 making repeals," further providing for distribution formula.

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

10 Section 1. Section 704 of the act of December 18, 1984
11 (P.L.1005, No.205), known as the Municipal Pension Plan Funding
12 Standard and Recovery Act, is amended to read:

13 Section 704. Distribution formula.

14 (a) General rule.--Except as provided in subsection (b) and
15 in section 705, the amount to be paid to each municipality shall
16 be determined as follows:

17 (1) fifty percent of the fund shall be distributed based
18 on the population of each municipality in proportion to the
19 population of the entire Commonwealth, based upon the latest

1 national population census as reported by the United States
2 Bureau of Census; and

3 (2) fifty percent of the fund shall be distributed based
4 on the market value of real estate of each municipality in
5 proportion to the market value of real estate for the entire
6 Commonwealth, based upon the most recent statistics from the
7 State Tax Equalization Board.

8 (b) Exception.--

9 (1) In even numbered calendar years when there is an
10 increase in funds collected under section 902 of the act of
11 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
12 1971, the State Treasurer shall identify and divide equally
13 the proceeds from increases in funds relating to the foreign
14 fire insurance gross premium tax for remittance to municipal
15 governments who, based on the distribution formula in this
16 section, will receive less than \$10,000 in that forthcoming
17 distribution year for fire protection provided by volunteer
18 firefighters. Municipalities that qualify for a fund increase
19 in even numbered calendar years shall not receive more than
20 \$20,000 a year in foreign fire relief funding and any
21 remaining fund proceeds from an even numbered calendar year
22 increase shall be placed into the fund to be dispersed in
23 accordance with the provisions of subsection (a).

24 (2) In odd numbered calendar years the State Treasurer
25 shall disperse all fund increase proceeds in accordance with
26 the provisions of subsection (a).

27 Section 2. This act shall take effect in 60 days.