

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1857 Session of 2011

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INTRODUCED BY SIMMONS, CREIGHTON, CUTLER, EMRICK, GABLER,  
GILLEN, KAUFFMAN, LAWRENCE, ROAE, SACCONI, SAYLOR, SWANGER  
AND CALTAGIRONE, SEPTEMBER 22, 2011

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SENATOR VOGEL, LOCAL GOVERNMENT, IN SENATE, AS AMENDED, JUNE 25,  
2012

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## AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania  
2 Consolidated Statutes, in general provisions relating to  
3 indebtedness and borrowing, further providing for home rule; ←  
4 AND, IN OTHER SUBJECTS OF TAXATION, FURTHER PROVIDING FOR  
5 HOTEL ROOM RENTAL.

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

8 ~~Section 1. Section 8008 of Title 53 of the Pennsylvania~~ ←  
9 ~~Consolidated Statutes is amended to read:~~

10 SECTION 1. SECTIONS 8008 AND 8721(B) OF TITLE 53 OF THE ←  
11 PENNSYLVANIA CONSOLIDATED STATUTES ARE AMENDED TO READ:

12 § 8008. Home rule.

13 (a) General rule.--Every local government unit obtaining a  
14 home rule charter after July 12, 1972, shall be subject to the  
15 substantive provisions of this subpart applicable to it as if it  
16 were a local government unit and may adopt the procedural  
17 provisions of this subpart, by incorporation thereof by  
18 reference, in its home rule charter.

1 ~~(b) Referendum. A home rule charter may contain referendum~~ ←  
2 ~~requirements to incur debt with approval of the electors, in~~  
3 ~~addition to any requirements contained in this subpart.~~

4 (B) REFERENDUM REQUIREMENTS.--THE HOME RULE CHARTER OF A ←  
5 COUNTY MAY ESTABLISH LIMITATIONS PERTAINING TO INCURRING DEBT  
6 WITHOUT THE APPROVAL OF ELECTORS WHICH ARE MORE RESTRICTIVE THAN  
7 THE PROVISIONS CONTAINED IN SECTION 8022 (RELATING TO  
8 LIMITATIONS ON INCURRING OF OTHER DEBT).

9 § 8721. HOTEL ROOM RENTAL.

10 \* \* \*

11 (B) COUNTIES OF THE SECOND CLASS.--THE TREASURER OF EACH  
12 COUNTY OF THE SECOND CLASS ELECTING TO IMPOSE THE TAX AUTHORIZED  
13 UNDER THIS SECTION IS DIRECTED TO COLLECT THE TAX AND TO DEPOSIT  
14 THE REVENUE RECEIVED FROM THE TAX IN A SPECIAL FUND. THE  
15 REVENUES SHALL BE DISTRIBUTED BY THE COUNTY COMMISSIONERS AS  
16 FOLLOWS:

17 (1) EXCEPT AS SET FORTH IN PARAGRAPH (4), TWO-FIFTHS OF  
18 THE REVENUE RECEIVED BY THE COUNTY FROM THE EXCISE TAX SHALL  
19 BE DISTRIBUTED TO A TOURIST PROMOTION AGENCY PURSUANT TO  
20 SECTION 2199.14 OF THE ACT OF JULY 28, 1953 (P.L.723,  
21 NO.230), KNOWN AS THE SECOND CLASS COUNTY CODE.

22 (2) EXCEPT AS SET FORTH IN PARAGRAPH (4), ONE-THIRD OF  
23 THE TAX COLLECTED BY HOTELS WITHIN A MUNICIPALITY WHERE A  
24 CONVENTION CENTER OR EXHIBITION HALL IS LOCATED, LESS THE  
25 COST OF COLLECTING THE TAX, SHALL, AT THE REQUEST OF THAT  
26 MUNICIPALITY, BE RETURNED TO THAT MUNICIPALITY FOR DEPOSIT IN  
27 THAT MUNICIPALITY'S SPECIAL FUND ESTABLISHED SOLELY FOR  
28 PURPOSES OF PAYING FOR PROMOTIONAL PROGRAMS IMPLEMENTED BY A  
29 NONPROFIT ORGANIZATION WHICH ARE DESIGNED TO STIMULATE AND  
30 INCREASE THE VOLUME OF CONVENTIONS AND VISITORS WITHIN THE

1 MUNICIPALITY OR AS PROVIDED IN PARAGRAPH (5), SUBJECT TO THE  
2 FOLLOWING REQUIREMENTS:

3 (I) AN AUDITED REPORT ON THE INCOME AND EXPENDITURES  
4 INCURRED BY THE MUNICIPALITY RECEIVING FUNDS FROM THE  
5 EXCISE TAX ON HOTEL ROOM RENTALS SHALL BE MADE ANNUALLY  
6 TO COUNTY.

7 (II) THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER  
8 GOVERNING BODY OF THE NONPROFIT ORGANIZATION UTILIZED BY  
9 THE MUNICIPALITY TO PROVIDE THE PROMOTIONAL PROGRAMS  
10 SHALL BE APPOINTED BY THE GOVERNING BODY OF THE  
11 MUNICIPALITY.

12 (2.1) EXCEPT AS SET FORTH IN PARAGRAPH (4), A 5% FEE  
13 SHALL BE PAID TO THE COUNTY FOR COLLECTING THE TAX.

14 (3) EXCEPT AS SET FORTH IN PARAGRAPH (4), ALL REMAINING  
15 REVENUE FROM THE TAX RECEIVED BY THE COUNTY, AFTER PAYING THE  
16 AMOUNTS SET FORTH IN PARAGRAPHS (1), (2) AND (2.1), SHALL BE  
17 USED FOR OPERATIONAL AND MAINTENANCE EXPENDITURES OF THE  
18 CONVENTION CENTER OR EXHIBITION HALL AS PROVIDED IN  
19 SUBSECTION (D) AND FOR REGIONAL TOURIST PROMOTION ACTIVITIES.

20 (4) SUBJECT TO PARAGRAPH (4.1), IF BONDS ARE ISSUED BY  
21 THE PUBLIC AUTHORITY TO PROVIDE PERMANENT FINANCING OR  
22 REFINANCING OF THE EXPANSION OF AND CAPITAL IMPROVEMENTS TO  
23 THE CONVENTION CENTER OR EXHIBITION HALL, THE REVENUE  
24 RECEIVED FROM THE TAX AND DEPOSITED IN THE SPECIAL FUND SHALL  
25 NOT BE DISTRIBUTED AS SET FORTH IN PARAGRAPHS (1) THROUGH (3)  
26 BUT SHALL BE DISTRIBUTED BY THE COUNTY COMMISSIONERS IN THE  
27 ORDER OF PRIORITY AS FOLLOWS:

28 (I) FIRST, TO THE PAYMENT OF ALL AMOUNTS SET FORTH  
29 IN PARAGRAPH (2).

30 (II) SECOND:

1 (A) TO THE TRUSTEE FOR THE BONDS IN ACCORDANCE  
2 WITH THE PROVISIONS OF THE INDENTURE PURSUANT TO  
3 WHICH THE BONDS ARE ISSUED, TO BE USED FOR THE  
4 PAYMENT OF DEBT SERVICE ON THE BONDS; AND

5 (B) TO THE PAYMENT OF ALL AMOUNTS SET FORTH IN  
6 PARAGRAPH (2.1):

7 (I) IN FULL; OR

8 (II) IF THE REVENUES ARE INSUFFICIENT TO  
9 MAKE THE PAYMENT IN FULL, PRO RATA.

10 (III) THIRD, TO THE PAYMENT OF ALL AMOUNTS SET FORTH  
11 IN PARAGRAPH (1).

12 (IV) FOURTH, AS SET FORTH IN PARAGRAPH (3).

13 (4.1) PARAGRAPH (4) SHALL NOT APPLY TO BONDS ISSUED  
14 SUBSEQUENT TO THE PERMANENT FINANCING FOR PURPOSES OF  
15 COMPLETION OR SUBSEQUENT EXPANSIONS OR CAPITAL IMPROVEMENTS.

16 (5) IF A CONVENTION CENTER OR EXHIBITION HALL  
17 DISCONTINUES OPERATION IN A MUNICIPALITY IN WHICH A  
18 CONVENTION CENTER OR EXHIBITION HALL IS LOCATED, THE  
19 MUNICIPALITY SHALL CONTINUE TO COLLECT AND RECEIVE THE TAX  
20 [FOR A PERIOD OF THREE YEARS FROM THE DATE OF DISCONTINUATION  
21 OF OPERATION OR CLOSURE. THE FOLLOWING APPLY:

22 (I) DURING THIS PERIOD, THE MUNICIPALITY MAY USE  
23 REVENUE FROM THE TAX FOR DEBT SERVICE ON THE  
24 CONSTRUCTION, RECONSTRUCTION, OPERATION OR MAINTENANCE OF  
25 A CONVENTION CENTER OR EXHIBITION HALL IN THE  
26 MUNICIPALITY.

27 (II) IF, DURING THIS PERIOD, NO CONVENTION CENTER OR  
28 EXHIBITION HALL IS OPERATING OR UNDER CONSTRUCTION, THE  
29 MUNICIPALITY SHALL HOLD THE REVENUE IN THE SPECIAL  
30 ACCOUNT UNDER PARAGRAPH (2), WHICH IS SEPARATE FROM ALL

1 OTHER MUNICIPAL REVENUE, SOLELY FOR THE PURPOSE OF THE  
2 CONSTRUCTION OF A CONVENTION CENTER OR EXHIBITION HALL IN  
3 THE MUNICIPALITY.

4 (III) AT THE END OF THIS PERIOD, IF A CONVENTION  
5 CENTER OR EXHIBITION HALL DOES NOT OPERATE OR IF THE  
6 CONSTRUCTION OF A NEW CONVENTION CENTER OR EXHIBITION  
7 HALL IN THE MUNICIPALITY HAS NOT REACHED SUBSTANTIAL  
8 COMPLETION, THE REVENUE FROM THE TAX SHALL BE DEPOSITED  
9 BY THE COUNTY IN THE ECONOMIC DEVELOPMENT, COMMUNITY  
10 INFRASTRUCTURE AND TOURISM FUND MAINTAINED BY THE COUNTY]  
11 WHICH SHALL BE DEPOSITED BY THE MUNICIPALITY AND USED FOR  
12 THE PURPOSES AS PROVIDED FOR IN PARAGRAPH (2).

13 \* \* \*

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