



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1151

PRINTER'S NO: 1365

PRIME SPONSOR: Pashinski

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
Expenditure Increase/(Decrease):		
Commonwealth Funds	\$0	\$0
Local Funds	\$0	\$0
Revenue Increase/(Decrease):		
Commonwealth Funds	\$0	\$0
Local Funds	\$0	\$0

OVERVIEW:

House Bill 1151 amends the Liquid Fuels Tax Municipal Allocation Law (June 1, 1956, 1955 P.L. 1944, No. 655) to give a municipality more flexibility in using all or any portion of its allocation for certain debt service costs. Current law limits a municipality's ability to use its allocation, in part or in full, to pay for principal and interest payments and sinking fund costs for bonds issued exclusively for road or street improvement purposes. This bill would allow a municipality to use its allocation, in part or in full, to pay for similar debt service costs also for bonds that are not exclusively for road or street improvements, provided that the amount of the allocation is only for the portion of the bond that relates to road or street improvements.

Municipalities receive three payments each year pursuant to the distribution formula in the Liquid Fuels Tax Municipal Allocation Law. They receive each December and June a payment from a portion of traffic violation fines collected as a result of State Police action pursuant to §3573(b)(3) of Title 42 (Judiciary and Judicial Procedure), Pa.C.S. Each spring, usually April, they receive payments from a portion of various gasoline and diesel fuel tax revenue plus a portion of payments from the Pennsylvania Turnpike Commission pursuant to Act 44 of 2007.

The last two State Police Fine Allocations totaled \$6,920,032.76 in December 2008 and \$5,870,729.59 in June 2008.

The total April 2009 allocations were as follows:

Appropriation Name	Statutory Authority	Allocation (\$)
Local Road Maintenance & Construction	General Appropriation Act of 2008 (Act 38A)	200,451,000
Supplemental Local Road Maintenance & Construction	General Appropriation Act of 2008 (Act 38A)	5,000,000
Payment to Municipalities--Portion of Excise Tax	Act 3 of 1997	34,016,000
Local Road Payments--Portion of Excise Tax	Act 26 of 1991	50,500,000
Municipal Roads and Bridges--Portion of Turnpike Payment	Act 44 of 2007	30,000,000
Total		319,967,000

The Department of Transportation is the agency that calculates the formula and distributes the allocations to the municipalities.

The effective date is sixty days.

ANALYSIS:

This bill does not alter in any way the amount of allocations or payments each municipality will receive pursuant to the Liquid Fuels Tax Municipal Allocation Law. It simply gives a municipality more flexibility in how it may use its allocation with respect to debt service.

The bill does not impact administrative costs to the Department of Transportation relating to calculating or distributing funds pursuant the Liquid Fuels Tax Municipal Allocation Law.

The Pennsylvania Department of Transportation provided information used in the preparation of this fiscal note.

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House Appropriations Committee, (D)

DATE: June 9, 2009

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*