
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 458 Session of
2013

INTRODUCED BY BLAKE, ALLOWAY, FONTANA, SOLOBAY, COSTA, FERLO AND
WILEY, APRIL 1, 2013

REFERRED TO FINANCE, APRIL 1, 2013

AN ACT

1 Authorizing counties to impose sales, use and occupancy taxes;
2 and providing for the levying, assessment and collection of
3 taxes and for the powers and duties of the Department of
4 Community and Economic Development or a successor agency, the
5 Department of Revenue and the State Treasurer.

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18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:
20 CHAPTER 1
21 GENERAL PROVISIONS
22 Section 101. Short title.
23 This act shall be known and may be cited as the County and
24 Municipal Property Tax Relief Act.
25 Section 102. Definitions.
26 The following words and phrases when used in this act shall
27 have the meanings given to them in this section unless the
28 context clearly indicates otherwise:
29 "Board of county commissioners." Includes the successor in
30 function to the board of county commissioners in a county which

1 has adopted a home rule charter under the provisions 53 Pa.C.S.
2 Pt. III Subpt. E (relating to home rule and optional plan
3 government), but does not include the city council of a city of
4 the first class or the county council of a county of the second
5 class.

6 "County." A county-level municipality within this
7 Commonwealth. The term includes a county which has adopted a
8 home rule charter or optional plan of government under the
9 provisions of 53 Pa.C.S. Pt. III Subpt. E (relating to home rule
10 and optional plan government). The term does not include a
11 county of the first class or a county of the second class.

12 "Current year." The calendar year or fiscal year for which a
13 tax is levied.

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

15 "Domicile." As defined in section 501 of the act of December
16 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling
17 Act.

18 "Homestead." As defined in 53 Pa.C.S. § 8401 (relating to
19 definitions).

20 "Local Tax Enabling Act." The act of December 31, 1965
21 (P.L.1257, No.511), known as The Local Tax Enabling Act.

22 "Municipality." A city of the second class A, city of the
23 third class, borough, incorporated town, township of the first
24 class, township of the second class, home rule municipality,
25 optional plan municipality, optional form municipality or
26 similar general purpose unit of government which may after the
27 effective date of this section be established by statute, except
28 a city of the first class or a city of the second class. Unless
29 the context clearly indicates otherwise, for the purposes of
30 this act, a municipality located in a county shall include

1 municipalities that are located entirely or partially in the
2 county.

3 "Nonqualified municipality." A municipality that is not a
4 qualified municipality under this act.

5 "Nonresident." An individual domiciled outside a
6 municipality.

7 "Ordinance." Includes a resolution.

8 "Population." The number of individuals residing in an area
9 as determined in the most recent Federal decennial census.

10 "Preceding year." The calendar year or fiscal year before
11 the current year.

12 "Qualified municipality." A municipality that qualifies in
13 accordance with section 305(b) or 319.

14 "Succeeding year." The calendar year or fiscal year
15 following the current year.

16 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),
17 known as the Tax Reform Code of 1971.

18 "Taxpayer." An individual required under this act to file a
19 tax return or to pay a tax.

20 Section 103. Scope.

21 It is the intent of this act to confer upon each county the
22 power to levy, assess and collect taxes upon the subjects of
23 taxation specified in this act.

24 Section 104. Preemption.

25 No act of the General Assembly in effect prior to or after
26 the effective date of this section shall vacate or preempt any
27 ordinance passed or adopted under the authority of this act or
28 another act providing authority for the imposition of a tax by a
29 county, unless the act of the General Assembly expressly vacates
30 or preempts the authority to pass or adopt the ordinance.

1 Section 105. Rates of taxation in home rule counties.

2 A county which has adopted a home rule charter or optional
3 plan of government under the provisions of 53 Pa.C.S. Pt. III
4 Subpt. E (relating to home rule and optional plan government)
5 may not fix the rate of taxation for the subjects of taxation
6 authorized under Chapter 3 in excess of the rates fixed in
7 Chapter 3.

8 CHAPTER 3

9 SUBJECTS OF TAXATION

10 SUBCHAPTER A

11 TAX AUTHORIZATION

12 Section 301. General tax authorization.

13 (a) General rule.--Subject to section 303 and except as
14 provided in subsection (b), a county shall have the power and
15 may by ordinance levy and assess or provide for the levying and
16 assessment of taxes on the sale or use of tangible personal
17 property and services and the occupancy of a hotel room at a
18 rate of 1% for general revenue purposes as it shall determine on
19 a subject of taxation set forth in this act within the
20 geographical limits of the county.

21 (b) Exclusions.--A county that levies a tax authorized by
22 this act may not levy, assess or collect:

23 (1) A tax based upon a flat rate or on a millage rate on
24 an assessed valuation of a particular trade, occupation or
25 profession, commonly known as an occupation tax.

26 (2) A per capita, poll, residence or similar head tax.

27 (3) The intangible personal property tax under the act
28 of June 17, 1913 (P.L.507, No.335), referred to as the
29 Intangible Personal Property Tax Law.

30 Section 302. Continuity of tax.

1 A tax levied under the provisions of this act shall continue
2 in force on a calendar year basis without annual reenactment
3 unless the tax is subsequently repealed.

4 Section 303. Election to participate under act.

5 (a) General rule.--A board of county commissioners which
6 elects to participate under the provisions of this act shall do
7 so by using the procedures specified in subsection (b) and in
8 accordance with the following provisions:

9 (1) An election to participate under this act shall
10 remain in effect for a period of at least three full calendar
11 years.

12 (2) A board of county commissioners after making an
13 election to participate under this act may, after a period of
14 at least three full calendar years of participation, elect
15 under the provisions of subsection (c) to cease participation
16 under this act and levy, assess and collect the taxes
17 prohibited by section 301(b) to the extent otherwise provided
18 by law.

19 (b) Ordinance.--Subject to the notice and public hearing
20 requirements of section 316(a), a board of county commissioners
21 may elect to participate under this act by adopting an ordinance
22 imposing the tax. The ordinance must be adopted no later than
23 September 1 preceding the calendar year when the tax will be
24 initially imposed.

25 (c) Repeal.--Subject to the notice and public hearing
26 requirements of section 316(c), a board of county commissioners
27 may elect to cease participation under this act by adopting an
28 ordinance repealing the tax. The ordinance must be adopted no
29 later than September 1 preceding the calendar year when the tax
30 will be repealed.

1 Section 304. Local tax study commission.

2 (a) First-year implementation.--In considering whether to
3 levy, assess, collect or provide for the levy, assessment or
4 collection of a tax under this act, a board of county
5 commissioners may, by February 1 of the year preceding the
6 calendar year for which the tax shall be levied, appoint a local
7 tax study commission in accordance with the following
8 provisions:

9 (1) The local tax study commission shall consist of
10 five, seven or nine members appointed by the board of county
11 commissioners. One member of the local tax study commission
12 may be a member of the board of county commissioners. A
13 member of the local tax study commission may not be a
14 relative, by blood or marriage, of an official or employee of
15 the county. The members must be residents of the county.
16 Representatives on a local tax study commission should
17 reasonably reflect the socioeconomic, age and occupational
18 diversity of the county.

19 (2) The board of county commissioners shall provide
20 necessary and reasonable staff to support the local tax study
21 commission.

22 (3) The members of the local tax study commission shall
23 receive reimbursement only for necessary and reasonable
24 expenses in the discharge of their duties.

25 (4) The local tax study commission shall study the
26 existing taxes levied, assessed and collected by the county
27 and determine if and how the tax policies of the county may
28 be strengthened or made more equitable by adopting for levy,
29 assessment and collection of a sales, use and occupancy tax
30 as provided for in this act. This study shall include, but

1 not be limited to, consideration of the following:

2 (i) historic rate and revenue provided by taxes
3 currently levied, assessed and collected by the county;

4 (ii) the percentage of total revenues provided by
5 taxes currently levied, assessed and collected;

6 (iii) the age, income, employment and property use
7 characteristics of the existing tax base;

8 (iv) the projected revenues of a tax currently
9 levied, assessed and collected; and

10 (v) the projected revenues of a tax referred to in
11 this paragraph not currently levied, assessed and
12 collected by the county.

13 (5) Within 120 days of its appointment, the local tax
14 study commission shall make a nonbinding recommendation to
15 the board of county commissioners of the appropriate tax or
16 combination of taxes, identified in paragraph (4), to be
17 levied, assessed and collected commencing the next fiscal
18 year.

19 (6) Upon appointment of the commission and except as
20 provided for in paragraph (8), a tax may not be levied,
21 assessed or collected for the next fiscal year until receipt
22 of the recommendation of the local tax study commission.

23 (7) No later than September 1 prior to the commencement
24 of the next fiscal year, the board of county commissioners
25 shall accept or reject the recommendation of the local tax
26 study commission or adopt another appropriate tax or
27 combination of taxes for the county commencing the next
28 fiscal year as provided by this act and other applicable law.

29 (8) If the local tax study commission fails to make a
30 nonbinding recommendation within 120 days of its appointment,

1 the board of county commissioners shall discharge the
2 appointed local tax study commission and appoint itself as
3 the local tax study commission. No later than September 1
4 prior to the commencement of the next fiscal year, the board
5 of county commissioners shall adopt the appropriate tax or
6 combination of taxes for the county commencing the next
7 fiscal year as provided by this act and other applicable law.

8 (9) The local tax study commission shall publish or
9 cause to be published, within 30 days of making its
10 recommendation, a final report of its activities and
11 recommendations and shall deliver the final report to the
12 chief clerk of the county who shall supply copies to
13 interested persons at their request.

14 (10) Receipts are required for reimbursable expenses.

15 (11) The records, receipts, minutes of meetings and
16 written discussions of the local tax study commission shall,
17 upon its discharge, be turned over to the chief clerk of the
18 county for permanent safekeeping. The chief clerk shall make
19 the materials available for public inspection at any time
20 during regular business hours.

21 (12) The local tax study commission shall be discharged
22 on the filing of its final report.

23 (b) Effect.--A county that levies, assesses and collects or
24 provides for the levy, assessment or collection of any tax,
25 after having received the recommendations of a local tax study
26 commission and acted, shall continue to levy, assess and collect
27 the same tax or combination of taxes for a minimum of the next
28 three fiscal years.

29 (c) Periodic review.--Beginning at least three fiscal years
30 after action by a board of county commissioners on the

1 recommendation of a tax study commission under this section, and
2 no more frequently than every three fiscal years thereafter, the
3 board of commissioners may appoint a local tax study commission
4 in the manner provided in subsection (a). The local tax study
5 commission appointed under this subsection shall be charged with
6 the same powers and duties provided for a local tax study
7 commission under subsection (a).

8 (d) Construction.--Nothing in this section shall be
9 construed to preclude the board of county commissioners from
10 changing or altering the rates of the tax or combination of
11 taxes if it deems necessary to the extent otherwise permitted by
12 law.

13 Section 305. Municipal sales, use and occupancy tax initiative.

14 (a) General rule.--After the first January 1 occurring at
15 least six months following the effective date of this section,
16 if the board of county commissioners of a county has not elected
17 to participate under this act, municipalities located in that
18 county may require, as provided in this section, the board of
19 county commissioners of the county to impose the sales, use and
20 occupancy tax as provided in section 312.

21 (b) Procedure.--

22 (1) If the board of county commissioners of a county has
23 not elected to participate under this act by the first
24 January 1 occurring at least six months following the
25 effective date of this section, the governing body of a
26 municipality located in that county may place before the
27 governing bodies of the municipalities located in that county
28 the following question:

29 Do you favor the imposition of a county sales, use and
30 occupancy tax at the rate of 1% as provided in section

312 of the County and Municipal Property Tax Relief Act?

(2) Circulation of the question may begin no earlier than January 1 of the year prior to the proposed year of implementation, and the vote by the governing bodies of the municipalities must conclude no later than June 1 of the year prior to the proposed year of implementation.

(3) Each governing body of a municipality voting in the affirmative on the question shall certify its vote on the question to the board of county commissioners. The governing body of a municipality that is located in more than one county shall certify its vote on the question to the board of county commissioners for each county where the municipality is located.

(4) The affirmative votes of the governing bodies of municipalities whose combined population represents more than 60% of the population within the county shall be necessary for the board of county commissioners to elect participation under this act. The population of a municipality that is located in more than one county shall be determined separately for each county where the municipality is located on the basis of the municipality's population within each county.

(5) Upon receipt of certifications from municipalities indicating approval of the question by municipalities whose combined population represents more than 60% of the population of the county, the board of county commissioners of the county shall, for the next calendar year, elect to participate under this act, under the procedures of section 303.

(6) A municipality is qualified to receive a

disbursement under section 318 if the municipality:

(i) votes in the affirmative on the question under this section; or

(ii) qualifies in accordance with the provisions of section 319.

SUBCHAPTER B

COUNTY SALES, USE AND OCCUPANCY TAX

Section 311. Construction.

The tax imposed by the board of county commissioners under this subchapter shall be in addition to a tax imposed by the Commonwealth under Article II of the Tax Reform Code. Except for the differing situs provisions under section 313, the provisions of Article II of the Tax Reform Code shall apply to the tax.

Section 312. Imposition of tax.

(a) Sales.--

(1) The board of county commissioners may levy and assess upon each separate sale at retail of tangible personal property or services, as defined in Article II of the Tax Reform Code, within the boundaries of the county, a tax on the purchase price.

(2) The tax shall be collected by the vendor from the purchaser and shall be paid over to the Commonwealth as provided in this subchapter.

(b) Use.--

(1) In a county within which the tax authorized in subsection (a) is imposed, there shall be levied, assessed and collected upon the use, within the county, of tangible personal property purchased at retail and on services purchased at retail, as defined in Article II of the Tax Reform Code, a tax on the purchase price.

1 (2) The tax shall be paid over to the Commonwealth by
2 the person who makes the use.

3 (3) The use tax imposed under this subchapter shall not
4 be paid over to the Commonwealth by a person who has paid the
5 tax imposed by subsection (a) or has paid the tax imposed by
6 this subsection to the vendor regarding the use.

7 (c) Occupancy.--

8 (1) In a county within which a tax authorized by
9 subsection (a) is imposed, there shall be levied, assessed
10 and collected an excise tax on the rent upon every occupancy
11 of a room or rooms in a hotel in the county.

12 (2) The tax shall be collected by the operator or owner
13 from the occupant and paid over to the Commonwealth.

14 (d) Rate and uniformity.--The tax authorized by subsections
15 (a), (b) and (c) shall be imposed at a rate of 1% and shall be
16 uniform.

17 (e) Computation.--The tax imposed under this section shall
18 be computed in the manner set forth in section 503(e)(2) of the
19 act of June 5, 1991 (P.L.9, No.6), known as the Pennsylvania
20 Intergovernmental Cooperation Authority Act for Cities of the
21 First Class.

22 Section 313. Situs.

23 The situs of sales at retail or uses of motor vehicles,
24 aircraft, motorcraft and utility services shall be determined in
25 the manner specified by section 504 of the act of June 5, 1991
26 (P.L.9, No.6), known as the Pennsylvania Intergovernmental
27 Cooperation Authority Act for Cities of the First Class and by
28 Article II-A of the Tax Reform Code.

29 Section 314. Licenses.

30 A license for the collection of the tax imposed by this

1 subchapter shall be issued in the same manner as is provided for
2 in section 505 of the act of June 5, 1991 (P.L.9, No.6), known
3 as the Pennsylvania Intergovernmental Cooperation Authority Act
4 for Cities of the First Class. Licensees shall be entitled to
5 the same discount as provided in section 227 of the Tax Reform
6 Code.

7 Section 315. Rules and regulations; collection costs.

8 (a) Regulations.--Rules and regulations shall be applicable
9 to the taxes imposed under section 312 in the same manner as is
10 provided for in section 506(1) and (2) of the act of June 5,
11 1991 (P.L.9, No.6), known as the Pennsylvania Intergovernmental
12 Cooperation Authority Act for Cities of the First Class.

13 (b) Administrative costs.--

14 (1) The department may retain a sum equal to 1% of the
15 revenues collected under this subchapter for its
16 administrative costs.

17 (2) When the annual operating budget for the department
18 is submitted to the General Assembly, the department shall
19 also submit to the chairman and minority chairman of the
20 Appropriations Committee of the Senate and to the chairman
21 and minority chairman of the Appropriations Committee of the
22 House of Representatives the actual sums retained for costs
23 of collection in the preceding fiscal year, together with the
24 supporting details.

25 Section 316. Procedure and administration.

26 (a) Ordinance.--

27 (1) A county desiring to impose the tax authorized by
28 section 312 shall give at least 60 days' written notice to
29 each municipality in the county of its intent to impose the
30 tax and shall adopt an ordinance after the expiration of 60

1 days after the date of the notice. The notice and ordinance
2 shall state the tax rate and refer to this subchapter. The
3 ordinance shall authorize the imposition of the tax on the
4 subjects provided for in section 312.

5 (2) Prior to adopting an ordinance imposing the tax
6 under section 312, the board of county commissioners shall
7 give public notice of its intent to adopt the ordinance in
8 the manner provided by section 306 of the Local Tax Enabling
9 Act and shall conduct at least one public hearing regarding
10 the proposed adoption of the ordinance.

11 (3) The board of county commissioners may waive the
12 requirement for a public hearing if the ordinance will be
13 adopted under the provisions of section 305.

14 (b) Notification to department.--A certified copy of the
15 county ordinance shall be delivered to the department by
16 September 1 of the year prior to the effective date of the
17 ordinance. The county ordinance shall become effective on the
18 January 1 following delivery of the certified copy to the
19 department.

20 (c) Repeal.--

21 (1) A county, having enacted the tax authorized by
22 section 312 and desiring to repeal the tax, shall give at
23 least 60 days' written notice to every municipality located
24 in the county of its intent to repeal the tax and shall adopt
25 an ordinance after the expiration of 60 days after the date
26 of the notice. The ordinance shall authorize the repeal of
27 the tax on the subjects under section 312.

28 (2) Prior to adopting an ordinance repealing the tax
29 imposed under section 312, the board of county commissioners
30 shall give public notice of its intent to repeal the

ordinance in the manner provided by section 506 of the Local Tax Enabling Act and shall conduct at least one public hearing regarding the proposed repeal of the ordinance.

(d) Delivery of repeal ordinance.--The board of county commissioners shall deliver a certified copy of a repeal ordinance to the department by September 1 of the year prior to the effective date of the repeal.

Section 317. County sales, use and occupancy tax funds.

(a) Funds established in State Treasury.--There is hereby established in the State Treasury for each county imposing the tax under section 312 a county sales, use and occupancy tax fund in the name of each county. The State Treasurer shall be custodian of the funds which shall be subject to the provisions of law applicable to funds listed in section 302 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

(b) Deposits into funds.--

(1) The tax imposed under section 312 shall be received by the department and paid to the State Treasurer and, along with interest and penalties, less any collection costs allowed under this subchapter and any refunds and credits paid, shall be credited to the respective fund no less than every two weeks.

(2) During a period prior to the credit of money to each such fund, interest earned on money received by the department and paid to the State Treasurer under this subchapter shall be deposited into the respective fund.

(c) Lapsing and interfund transfers prohibited.--The money in each respective fund, including, but not limited to, money credited to the fund under this section, prior year encumbrances and the interest earned thereon, shall not lapse or be

1 transferred to another fund, but shall remain in the respective
2 fund.

3 (d) Investment.--Pending their disbursement, moneys received
4 on behalf of or deposited into each respective fund shall be
5 invested or reinvested as are other money in the custody of the
6 State Treasurer in the manner provided by law. The earnings
7 received from the investment or reinvestment of the money shall
8 be credited to the respective fund.

9 Section 318. Disbursements.

10 (a) General rule.--On or before the tenth day of every
11 month, the State Treasurer shall make disbursements as provided
12 in this section.

13 (b) Disbursement to counties.--

14 (1) The State Treasurer shall disburse to a county
15 imposing the tax under section 312 an amount of money equal
16 to 55% of the tax deposited in the respective county sales,
17 use and occupancy tax fund for deposit into the county
18 general fund for disposition as provided under section
19 501(a).

20 (2) The State Treasurer shall disburse to a county, in
21 addition to its share under paragraph (1), an amount of money
22 equal to the amount allocated to the nonqualified
23 municipalities as provided in this section.

24 (c) Allocation to municipalities.--The State Treasurer shall
25 allocate an amount of money equal to 45% of the tax deposited in
26 the respective county sales, use and occupancy tax fund to the
27 municipalities located in the county. The money shall be
28 apportioned to the municipalities located in the county as
29 computed under section 320(a).

30 (d) Disbursement to municipalities.--

1 (1) The amount apportioned to each qualified
2 municipality shall be disbursed to the qualified municipality
3 for deposit into the municipal general fund for disposition
4 as provided in section 501(b).

5 (2) The amount apportioned to each nonqualified
6 municipality shall be disbursed to the county as provided in
7 subsection (b)(2) for deposit into the county general fund
8 for disposition as provided under section 501(a).

9 (e) Penalty.--If disbursements are not made on or before the
10 tenth day of each month, a 5% penalty shall be added plus a 1%
11 late charge per month delayed, along with interest and penalties
12 accruing under section 317. Payment of penalties and late
13 charges under this subsection shall be made from the General
14 Fund of the Commonwealth into the county sales, use and
15 occupancy tax fund established under section 317.

16 Section 319. Adoption of municipal ordinances.

17 (a) Initial year qualification.--A municipality is qualified
18 to receive a disbursement under section 318 if, prior to
19 enactment of the county ordinance, the municipality:

20 (1) Adopts a municipal ordinance containing the
21 statement:

22 We strongly urge the county to enact a county sales, use
23 and occupancy tax and intend to accept disbursements of
24 the sales, use and occupancy tax collected.

25 (2) Delivers a certified copy of the municipal ordinance
26 to the board of county commissioners on or before the
27 enactment of the county ordinance. A municipality that is
28 located in more than one county shall deliver a certified
29 copy to the board of county commissioners for each county
30 where the municipality is located.

1 (b) Subsequent year qualification.--A municipality is
2 qualified to receive a disbursement under section 318 if, prior
3 to October 1 of any year after the year of initial imposition of
4 the tax by a county, the municipality meets the following
5 requirements:

6 (1) Adopts a municipal ordinance containing the
7 statement:

8 We support the enactment by the county of the county
9 sales, use and occupancy tax and strongly urge its
10 continuation and intend to accept disbursements of the
11 sales, use and occupancy tax collected.

12 (2) Delivers a certified copy of the municipal ordinance
13 to the board of county commissioners on or before the
14 enactment of the county ordinance by October 15 of the year
15 in which the ordinance is enacted. A municipality that is
16 located in more than one county shall deliver a certified
17 copy to the board of county commissioners for each county
18 where the municipality is located.

19 (c) Nonqualification.--Notwithstanding the provisions of
20 subsection (b), a municipality shall not qualify to receive a
21 disbursement under section 318 earlier than 36 months after the
22 initial date of imposition of the tax unless the municipality:

23 (1) enacts an ordinance in accordance with the
24 provisions of subsection (a); or

25 (2) votes in the affirmative to the question in
26 accordance with the provisions of section 305.

27 Section 320. Allocations.

28 (a) Allocations to municipalities.--The State Treasurer
29 shall compute allocations to municipalities in the following
30 manner:

1 (1) Fifty percent of the money allocated to
2 municipalities in the county shall be distributed pro rata
3 based on the weighted tax revenues for each municipality
4 located in the county as a percentage of the total weighted
5 tax revenues of the municipalities located in the county. For
6 municipalities located in more than one county, the weighted
7 tax revenues for the county shall be prorated based upon the
8 population of the municipality in each county divided by the
9 total population of the municipality.

10 (2) Fifty percent of the money allocated to
11 municipalities in the county shall be distributed pro rata
12 based on the population of each municipality located in the
13 county as a percentage of the sum of the population of the
14 municipalities located in the county. For municipalities
15 located in more than one county, the population of the county
16 shall be determined separately for each county where the
17 municipality is located on the basis of the municipality's
18 population within each county.

19 (b) Calculation of weighted tax revenues.--Calculations of
20 weighted tax revenues shall be made by the Department of
21 Community and Economic Development or a successor agency and
22 certified to the State Treasurer based upon information reported
23 to the Department of Community and Economic Development or a
24 successor agency, subject to review, verification and approval
25 by the Department of Community and Economic Development or a
26 successor agency.

27 (c) Definitions.--As used in this section, the following
28 words and phrases shall have the meanings given to them in this
29 subsection:

30 "Per capita market value." The total market value of the

1 real property divided by population as determined by the most
2 recent decennial census.

3 "Total tax revenues." Real property tax revenues, revenues
4 received by levy of a tax under the Local Tax Enabling Act,
5 revenues received by levy of a tax under this act and revenues
6 received by levy of a tax under the act of June 23, 1931
7 (P.L.932, No.317), known as The Third Class City Code, the act
8 of June 24, 1931 (P.L.1206, No.331), known as The First Class
9 Township Code, and the act of May 1, 1933 (P.L.103, No.69),
10 known as The Second Class Township Code, the act of August 9,
11 1955 (P.L.323, No.130), known as The County Code, and the act of
12 February 1, 1966 (1965 P.L.1656, No.581), known as The Borough
13 Code, as applicable to the municipality.

14 "Weighted tax revenues." Total tax revenues from all sources
15 of a municipality divided by the per capita market value of the
16 municipality.

17 CHAPTER 5

18 DISPOSITION OF TAX REVENUES

19 Section 501. Sales, use and occupancy tax revenues.

20 (a) Counties.--

21 (1) In the first year of implementation of the tax under
22 section 312, no less than 60% of any additional revenues
23 received by a county from the tax shall be used to offset the
24 revenues lost as a result of the prohibition against
25 imposition of the taxes enumerated in section 301(b) and then
26 to reduce the county real property tax, first by means of a
27 homestead exclusion and then, if the maximum homestead
28 exclusion has been attained, by means of reduction in the
29 property tax millage rate.

30 (2) Revenues received and retained by a county from the

1 tax under section 312 shall be expended for public purposes
2 authorized by statutes governing counties.

3 (b) Municipalities.--

4 (1) In the first year of implementation of the taxes
5 under section 312, no less than 60% of any additional
6 revenues received by a qualified municipality from the tax
7 shall be used for the following, separately or in
8 combination:

9 (i) To offset the municipal real property tax, first
10 by means of a homestead exclusion and then, if the
11 maximum homestead exclusion has been attained, by means
12 of reduction in the property tax millage rate.

13 (ii) To offset lost municipal revenue based on the
14 value of real property in the municipality that has been
15 exempted from real property taxation under law.

16 (2) If, in the first year of implementation, 60% of the
17 amount of revenues received by a qualified municipality
18 exceeds the sum of the amount of offsets available under
19 paragraph (1) for that year, then the excess revenue shall be
20 used to offset another municipal tax or fee.

21 (3) Revenues received and retained by a qualified
22 municipality from the taxes under section 312 shall be
23 expended for public purposes of health, safety and welfare as
24 provided in the municipality's governing statutes.

25 Section 502. Revenue limitation exceptions.

26 (a) Waiver.--A board of county commissioners or the
27 governing body of a municipality may waive the limitations
28 relating to the reduction or elimination of taxes in sections
29 501, but only to the degree necessary, in the following cases:

30 (1) If an increase in local expenditures is necessary to

1 respond to or recover from an emergency or disaster declared
2 by the Governor.

3 (2) If the political subdivision is required to
4 implement a court decision.

5 (3) To pay interest and principal on indebtedness
6 incurred under the provisions of 53 Pa.C.S. Pt. VII Subpt. B
7 (relating to indebtedness and borrowing).

8 (4) To pay increases in pension fund requirements which
9 are in excess of the annual average increase over the
10 immediately preceding five fiscal years.

11 (5) To respond to a county or municipality declared to
12 be distressed under the act of July 10, 1987 (P.L.246,
13 No.47), known as the Municipalities Financial Recovery Act.

14 (6) To increase revenues when actual revenues decline
15 from the immediately preceding year, but only to the extent
16 of the revenue decline.

17 (7) If the increase does not exceed the limitations on
18 millage rates for real property under the act of June 23,
19 1931 (P.L.932, No.317), known as The Third Class City Code,
20 the act of June 24, 1931 (P.L.1206, No.331), known as The
21 First Class Township Code, and the act of May 1, 1933
22 (P.L.103, No.69), known as The Second Class Township Code,
23 the act of August 9, 1955 (P.L.323, No.130), known as The
24 County Code, and the act of February 1, 1966 (1965 P.L.1656,
25 No.581), known as The Borough Code.

26 (8) (i) To respond to a Federal or State statute,
27 regulation or order adding to or significantly altering
28 responsibilities and duties or requiring expenditure of
29 funds to the extent not funded by the Federal Government
30 or State government.

(ii) This paragraph shall apply only to a Federal or State statute, regulation or order taking effect after the effective date of this section.

(9) To increase revenue equal to the percentage increase in the Statewide average weekly wage from the immediately preceding year or 5%, whichever is less.

(b) Appeal.--

(1) A person aggrieved by a waiver of limitations under this section may appeal to the court of common pleas in the judicial district in which the county or municipality is located.

(2) The following shall apply to a proceeding instituted under this subsection:

(i) The county or municipality that is subject of the appeal must show by clear and convincing evidence the necessity to claim the waiver of limitations.

(ii) The county or municipality must show by clear and convincing evidence that there are no assets or other feasible alternatives available to the county or municipality.

(iii) A person shall have standing as a party to a proceeding under this subsection as long as the person resides within or pays real property taxes to the taxing jurisdiction of the county or municipality that is subject of the appeal.

CHAPTER 7

MISCELLANEOUS PROVISIONS

Section 701. (Reserved).

Section 702. Effective date.

This act shall take effect immediately.