

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2732 Session of
2002

INTRODUCED BY SOLOBAY, DeLUCA, YUDICHAK, COSTA, MANN, GRUCELA,
DeWEESE, LESCOVITZ, ROONEY, MARKOSEK, BEBKO-JONES, LAUGHLIN,
LUCYK, MICOZZIE, CREIGHTON, CAPPELLI, HALUSKA, GEORGE,
R. STEVENSON, TRAVAGLIO, WOJNAROSKI, TIGUE, SURRA, COY,
WALKO, KELLER, WILT, McCALL, GODSHALL, HARHAI, NICKOL,
MANDERINO, SHANER, CORRIGAN, PETRARCA, BUNT, BELFANTI,
READSHAW, LEVDANSKY, ROBERTS, STABACK, WANSACZ, YOUNGBLOOD,
GORDNER, HESS, HORSEY, J. WILLIAMS, TANGRETTI AND GRUITZA,
JUNE 20, 2002

REFERRED TO COMMITTEE ON FINANCE, JUNE 20, 2002

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 the distribution
8 formula of the foreign fire insurance tax.

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

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

14 Section 704. Distribution formula.

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

1 (1) fifty percent of the fund shall be distributed based
2 on the population of each municipality in proportion to the
3 population of the entire Commonwealth, based upon the latest
4 national population census as reported by the United States
5 Bureau of Census; and

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

11 (b) Minimum distribution.-Each municipality shall receive
12 the minimum sum of \$10,000. In order to provide a minimum sum
13 for each municipality, money shall be obtained as follows:

14 (1) The State Treasurer, before making payment to a
15 particular municipality, shall deduct a specific sum from a
16 sliding scale determined by the Auditor General from any
17 money which a particular municipality is expected to receive
18 for the year which exceeds \$100,000.

19 (2) A relief association of a fire department or
20 departments or a fire company or companies which has over
21 \$1,000,000 in funds which were obtained pursuant to this
22 chapter, not including any interest which may have accrued on
23 the funds, will forfeit any payment under this chapter until
24 the amount of funding it holds, not including any interest
25 which has accrued, drops below \$1,000,000. Relief
26 associations which have over \$1,000,000 in funds which were
27 obtained pursuant to this chapter, not including any interest
28 that may have accrued on the funds, shall annually certify
29 that fact to the Auditor General. Any relief association
30 failing to do so or falsifying the amount of funds it holds

1 shall forfeit payments under this act for a period of five
2 years.
3 Section 2. This act shall take effect in 60 days.