

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2571 Session of
2008

INTRODUCED BY MANTZ, ARGALL, BAKER, BARRAR, BASTIAN,
BENNINGHOFF, BOBACK, BOYD, CALTAGIRONE, CIVERA, CLYMER,
COHEN, CREIGHTON, DALEY, DALLY, DENLINGER, DeWEESE,
DIGIROLAMO, J. EVANS, EVERETT, GABIG, GEORGE, GIBBONS,
GILLESPIE, GODSHALL, GRUCELA, HANNA, HARHART, HARPER,
HENNESSEY, HERSHEY, HORNAMAN, HUTCHINSON, JAMES, KAUFFMAN,
M. KELLER, KILLION, KORTZ, LONGIETTI, MANDERINO, MARKOSEK,
MARSHALL, MARSICO, McILHATTAN, McILVAINE SMITH, MENSCH,
MICOZZIE, MILLARD, MOUL, MOYER, MURT, NAILOR, O'NEILL,
PASHINSKI, PAYTON, PETRONE, PYLE, REED, REICHLEY, ROCK,
ROEBUCK, ROHRER, SANTONI, SCAVELLO, SCHRODER, SEIP, SIPTROTH,
K. SMITH, S. H. SMITH, STAIRS, STEIL, STERN, STURLA, SWANGER,
VULAKOVICH, YOUNGBLOOD, KULA, BEYER AND MELIO, MAY 30, 2008

REFERRED TO COMMITTEE ON COMMERCE, MAY 30, 2008

AN ACT

1 Providing for municipal service grants and for powers and duties
2 of the Department of Community and Economic Development; and
3 making an appropriation.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Municipal
8 Service Grant Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Department." The Department of Community and Economic

1 Development.

2 "Host municipality." The municipality where the majority of
3 tax-exempt properties owned by a university within the State
4 System of Higher Education lie.

5 "Impacted municipality." The municipality which provides the
6 majority of primary municipal services, such as police, fire
7 protection and code enforcement to the off-campus student
8 population of the university within the State System of Higher
9 Education.

10 "Real estate tax millage rate." The millage rate designated
11 by a municipality for use on a university's tax-exempt property.

12 "University's tax-exempt property." The term includes any
13 tax-exempt properties used by a university within the State
14 System of Higher Education that are owned by the State System of
15 Higher Education, the Commonwealth, a university or a foundation
16 formed by the university.

17 Section 3. Municipal Service Grants.

18 Beginning with the 2008-2009 fiscal year and for each fiscal
19 year thereafter, the department shall make payments in the form
20 of grants for the purpose of reimbursing those municipalities
21 which provide primary municipal services to universities within
22 the State System of Higher Education.

23 Section 4. Reimbursable expenses.

24 Grants shall be awarded in accordance with section 5 and
25 shall be used to reimburse municipalities for all of the
26 following:

27 (1) The cost of providing primary municipal services to
28 a university within the State System of Higher Education.

29 (2) The loss of tax revenue incurred by the presence of
30 tax-exempt properties owned by a university within the State

1 System of Higher Education.

2 Section 5. Distribution formula.

3 Grants awarded under this act shall be distributed to each
4 municipality according to the following formula, and the data
5 utilized in the formula for each municipality shall be reviewed
6 every three years by the department:

7 (1) Divide the university's full-time equivalent student
8 enrollment for the previous academic year by the total full-
9 time equivalent student enrollment for the previous academic
10 year of the State System of Higher Education, expressed as a
11 percentage.

12 (2) Multiply the municipality's real estate tax millage
13 rate by the assessed value of the university's tax-exempt
14 property to determine the tax revenue actually lost. Then
15 divide the result expressing the tax revenue lost by the sum
16 of the total tax revenue lost by all the municipalities
17 providing primary municipal services to universities within
18 the State System of Higher Education, expressed as a
19 percentage.

20 (3) To equally weight the two ratios, combine the
21 percentage under paragraph (1) with the percentage under
22 paragraph (2) and divide by two, expressed as a percentage.

23 (4) Multiply the result of paragraph (3) by the total
24 amount of funding appropriated for the purposes of this act.

25 Section 6. Main campus in multiple municipalities.

26 If a university's main campus is located in or immediately
27 adjacent to more than one municipality, the grant for primary
28 municipal services shall be allocated and distributed to each
29 affected municipality proportionately. Proportionality shall be
30 determined for the impacted municipality by the percentage

1 determined under section 5(1) and for the host municipality by
2 the percentage determined under section 5(2). Each factor
3 separately shall then be divided by two. Separately, each result
4 shall be multiplied by the total amount of funding appropriated
5 for the purposes of this act. The department shall designate
6 only one municipality as the host municipality and only one
7 municipality as the impacted municipality for each regional
8 State System of Higher Education university.

9 Section 7. Appropriation.

10 The amount of \$3,000,000 is hereby appropriated to the
11 Department of Community and Economic Development for the fiscal
12 year 2008-2009 to carry out the provisions of this act.

13 Section 8. Effective date.

14 This act shall take effect immediately.