

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1523

**PRINTER'S NO.** 2030

**AMOUNT**  
No Fiscal Impact

**FUND**  
General Fund

**DATE INTRODUCED**  
June 12, 2013

**PRIME SPONSOR**  
Representative Toepel

**HISTORY OF BILL**

Referred to LOCAL GOVERNMENT, June 12, 2013  
Reported as committed, June 26, 2013  
First consideration, June 26, 2013  
Re-committed to RULES, June 26, 2013  
Re-reported as committed, Sept. 23, 2013  
Laid on the table, Sept. 23, 2013  
Removed from table, Sept. 30, 2013  
Second consideration, Oct. 1, 2013  
Re-committed to APPROPRIATIONS, Oct. 1, 2013  
Re-reported as committed, Oct. 2, 2013  
Third consideration and final passage, Oct. 2, 2013 (194-0)

In the Senate

Referred to LOCAL GOVERNMENT, Oct. 10, 2013  
Reported as committed, Nov. 19, 2013  
First consideration, Nov. 19, 2013  
Second consideration, Dec. 4, 2013  
Re-referred to APPROPRIATIONS, Dec. 4, 2013  
Re-reported as committed, Dec. 9, 2013

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1523 amends the Open Space Law (Act 442 of 1967) to authorize a local government unit to use open space tax revenue for additional purposes and to provide for a method of repeal of an existing open space tax.

The legislation authorizes a local government, other than a county or county authority, that currently collects the local option tax for open space purposes, to use the revenue for the following additional purposes:

# **SENATE APPROPRIATIONS COMMITTEE**

## **FISCAL NOTE**

For expenses necessary to prepare the resource, recreation, or land use plan required under the Open Space Law.

- Up to 25% of any accumulated balance of the fund from the open space tax levy may be used to develop, improve, design, engineer and maintain property acquired pursuant to the Open Space Law for open space benefit.
- The local government unit has the option to create a maintenance fund into which the local government may deposit up to 25% of the annual revenue from the open space tax levy to develop, improve, design, engineer and maintain property acquired under the Open Space Law for open space benefit.

House Bill 1523 prohibits any open space tax revenue in a particular year to be used to develop, improve, design, engineer and maintain the property acquired unless the annual debt service or acquisition fees incurred under the Open Space Law by a local government unit will be satisfied. Acquisition fees must be paid in their entirety at the time of acquisition.

The legislation provides that in local government units whose electors voted in a referendum to impose the open space tax, the open space tax may be repealed by referendum. The referendum shall ask voters whether they favor the continued imposition of the existing open space tax levy on real estate taxes or earned income taxes. If the referendum question passes, then the open space tax shall continue to be imposed at the rate described in the question. If the referendum question fails, then the tax shall be repealed effective in the fiscal year following the referendum. Regardless of the outcome, another referendum on the open space tax shall not be held any sooner than five years after the approval or disapproval of the referendum question.

Under House Bill 1523, the open space tax shall not be repealed any sooner than five years after the imposition of the tax or when any indebtedness incurred for payment of the property or properties acquired has been repaid, whichever is later.

The act shall take effect immediately.

### **FISCAL IMPACT:**

House Bill 1523 will have no adverse impact on Commonwealth or local funds.

The legislation does not authorize a tax increase and it does not expand the existing taxing authority under the Open Space Law. House Bill 1523 clarifies that existing tax collections may be used for additional purposes, and the legislation provides for a method of repeal of the current open space tax levy, which could result in a local tax decrease.