

AN ACT

1 Providing for grants to municipalities that provide services to
2 certain universities and for powers and duties of the
3 Department of Community and Economic Development; and making
4 an appropriation.

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

7 Section 1. Short title.

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

10 Section 2. Definitions.

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

14 "Department." The Department of Community and Economic
15 Development of the Commonwealth.

16 "Host municipality." A municipality where the majority of
17 tax-exempt properties owned by a university are located.

18 "Impacted municipality." A municipality that provides the

1 majority of primary municipal services, such as police, fire
2 protection and code enforcement to the off-campus student
3 population of a university.

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

6 "University." A university within the State System of Higher
7 Education.

8 "University's tax-exempt property." The term includes any
9 tax-exempt property used by a university that is owned by the
10 State System of Higher Education, the Commonwealth, a university
11 or a foundation formed by the university.

12 Section 3. Municipal Service Grants.

13 Beginning with the 2013-2014 fiscal year and for each fiscal
14 year thereafter, the department shall make payments in the form
15 of grants for the purpose of reimbursing those municipalities
16 that provide primary municipal services to universities.

17 Section 4. Reimbursable expenses.

18 Grants shall be awarded in accordance with section 5 and
19 shall be used to reimburse municipalities for all of the
20 following:

21 (1) The cost of providing primary municipal services to
22 a university.

23 (2) The loss of tax revenue incurred by the presence of
24 tax-exempt properties owned by a university.

25 Section 5. Distribution formula.

26 Grants awarded under this act shall be distributed to each
27 municipality according to the following formula, and the data
28 utilized in the formula for each municipality shall be reviewed
29 every three years by the department:

30 (1) Divide the university's full-time equivalent student

1 enrollment for the previous academic year by the total full-
2 time equivalent student enrollment for the previous academic
3 year of the State System of Higher Education, expressed as a
4 percentage.

5 (2) Multiply the municipality's real estate tax millage
6 rate by the assessed value of the university's tax-exempt
7 property to determine the tax revenue actually lost. Then
8 divide the result expressing the tax revenue lost by the sum
9 of the total tax revenue lost by all the municipalities
10 providing primary municipal services to universities,
11 expressed as a percentage.

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

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

17 Section 6. Main campus in multiple municipalities.

18 If a university's main campus is located in or immediately
19 adjacent to more than one municipality, the grant for primary
20 municipal services shall be allocated and distributed to each
21 affected municipality proportionately as follows:

22 (1) Proportionality shall be determined for the impacted
23 municipality by the percentage determined under section 5(1)
24 and for the host municipality by the percentage determined
25 under section 5(2).

26 (2) Each factor separately shall then be divided by two.

27 (3) Separately, each result shall be multiplied by the
28 total amount of funding appropriated for the purposes of this
29 act.

30 The department shall designate only one municipality as the host

1 municipality and only one municipality as the impacted
2 municipality for each regional State System of Higher Education
3 university.

4 Section 7. Appropriation.

5 The amount of \$3,000,000 is hereby appropriated to the
6 Department of Community and Economic Development for the fiscal
7 year 2013-2014 to carry out the provisions of this act.

8 Section 8. Effective date.

9 This act shall take effect immediately.