

**LIQUID FUELS TAX MUNICIPAL ALLOCATION LAW**  
**Act of Jun. 1, (1956) 1955, P.L. 1944, No. 655** **Cl. 72**  
AN ACT

Providing a permanent allocation of a part of the fuels and liquids fuels tax proceeds to cities, boroughs, incorporated towns and townships, for their road, street and bridge purposes; conferring powers and imposing duties on local officers and the Department of Highways; and making an appropriation out of the Motor License Fund; and repealing existing legislation.

Whereas, there is an urgent need for a vast construction, reconstruction and modernization program on Pennsylvania's hundred thousand mile public road system; therefore,

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

Section 1. In the interest of better roads for all Pennsylvania and an equitable distribution of funds available for highway purposes for use on local roads and streets as related to the burden of highway traffic thereon and the revenues derived therefrom, the General Assembly finds that it is necessary to provide for a permanent allocation of a part of the highway funds among cities, boroughs, incorporated towns and townships, for the roads and streets for which they are responsible, or in townships of the first class for State highways within their respective boundaries, including drainage facilities.

(1 amended Aug. 13, 1963, P.L.804, No.398)

Section 2. As used in this act--

(1) "Department" means the Department of Transportation.

((1) amended Dec. 3, 1998, P.L.922, No.114)

(2) "Municipality" means any city, borough, incorporated town or township.

(3) "Roads and streets" means public roads and streets, including bridges, used for travel by horse drawn and motor vehicles and does not include ways, courts and alleys. ((3) amended Aug. 13, 1963, P.L.804, No.398)

(4) "Court" means a dead-end roadway designed to provide access to properties abutting thereon which has a length of less than two hundred fifty feet or a vehicle turn-around area with a radius of less than forty feet. ((4) added Dec. 3, 1998, P.L.922, No.114)

(5) "Alley" means a narrow roadway, usually to the rear of abutting properties, designed for the purpose of access to the rear of such properties and not as a thoroughfare; and every roadway less than sixteen feet in width. ((5) added Dec. 3, 1998, P.L.922, No.114)

(6) "Way" means a short stretch of roadway having both terminals in a street or road and designed to provide access to properties abutting thereon. ((6) added Dec. 3, 1998, P.L.922, No.114)

(7) "Computer-related hardware, software and training" means electronic devices and their proper and related programming necessary for the electronic processing of information and the associated instruction requisite for the exclusive operation of those devices. ((7) added Nov. 23, 2004, P.L.944, No.138)

Section 3. An amount equal to twenty per centum of five and one-half cents (5 1/2¢) of all taxes collected on each gallon of liquid fuel under "The Liquid Fuels Tax Act" of May

twenty-one, one thousand nine hundred thirty-one (Pamphlet Laws 149), and its amendments, and on each gallon of fuel under the "Fuel Use Tax Act" of January fourteen, one thousand nine hundred fifty-two (Pamphlet Laws 1965), and its amendments, is appropriated out of the Motor License Fund to the municipalities of the Commonwealth on the basis and subject to the provisions hereinafter set forth.

In addition to the above appropriation, an amount equal to fifty per centum of that portion of the tax which exceeds seven cents (7¢) per gallon is appropriated out of the Motor License Fund to the municipalities of the Commonwealth on the same basis and condition as provided above.

(3 amended Mar. 3, 1970, P.L.107, No.40)

Section 4. The money hereby appropriated to municipalities shall be paid to the municipalities in accordance with the following formula and subject to the provisions of this act:

(1) The money hereby allocated shall be paid to the cities, boroughs, towns and townships in accordance with the following formula:

Five-tenths of this allocation divided by the total miles of public roads and streets which are maintained by municipalities.	Multiplied By	The number of miles in the particular municipality.
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	Plus	
Five-tenths of this allocation divided by the total official population of the municipalities as of January first of the year in which the money is to be paid to the municipalities.	Multiplied By	The official population of the particular municipality as of January first of said year.

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(Amount due the particular municipality)

To be expended by the authorities of the respective municipalities (i) for the maintenance, repair, construction or reconstruction of such public roads or streets, including bridges, culverts and drainage structures for which they are legally responsible and including the lining of streams incidental to the drainage of highways, and for the maintenance, repair, construction or reconstruction of curb ramps from a road, street or highway to provide for access by individuals with disabilities consistent with Federal and State law; (ii) for the acquisition, maintenance, repair and operation of street signs, traffic signs and traffic signal control systems; (iii) for the maintenance, repair, construction or reconstruction of alleys, ways and courts for which they are legally responsible. Where road, bridge, alley, way or court work is performed by the political subdivision the moneys herein allocated may be used only for labor, hiring of equipment, payrolls, purchase of material, including repair parts necessary for the maintenance of equipment, small tools, road drags and snow fences and, in addition, an amount not to exceed twenty per centum of the total annual allocation received by each municipality, may be used for the purchase of road machinery and road equipment; and (iv) for the acquisition of

computer-related hardware, software and training required for the electronic processing of information concerning the funds appropriated and allocated under this act, including the preparation and electronic submission of the required annual reports for payment certification, provided that expenditures under this subclause may not exceed one thousand dollars (\$1,000) annually.

No municipality shall receive less than the amount allocated to such municipality during the fiscal year ending June 30, 1969. So much as is necessary of the taxes collected on each gallon of liquid fuel under "The Liquid Fuel Tax Act" and on each gallon of fuel under the "Fuel Use Tax Act" is hereby appropriated out of the Motor License Fund to municipalities of the Commonwealth for the purpose of making any additional payments required under the provisions hereof. Funds hereby appropriated shall be in addition to funds appropriated under the provisions of section 3 of this act.

((1) amended Nov. 23, 2004, P.L.944, No.138)

(2) ((2) deleted Feb. 5, 1982, P.L.9, No.4)

(2.1) Any municipality which issues bonds or obligations in accordance with Article VII-A of the act of June 25, 1941 (P.L.159), known as the "Municipal Borrowing Law," exclusively for road or street improvement purposes may expend all or any portion of the allocated money for interest and principal payments and sinking fund charges becoming due on such bonds or obligations. ((2.1) amended Feb. 5, 1982, P.L.9, No.4)

(3) The moneys allocated in clause (1) shall be paid over, in the manner provided by law, by the department to the respective cities, boroughs, towns and townships, on the first days of July and December, 1956, and the first day of March of each subsequent year. ((3) amended July 2, 2013, P.L.248, No.42)

(4 amended Mar. 27, 1980, P.L.53, No.20)

Section 4.1. If the sum appropriated by section three amounts to less than thirty million dollars (\$30,000,000) annually during the calendar years 1956 or 1957, 1958 or 1959, 1960, 1961, 1962, 1963, 1964 or 1965, there is appropriated for each of said years out of the Motor License Fund an amount equal to the difference between thirty million dollars (\$30,000,000) and the lesser amount provided by section three, which sum shall be paid to the municipalities in accordance with the provisions of section four.

(4.1 amended Aug. 13, 1963, P.L.679, No.358)

Section 5. In order to qualify for its share of the moneys herein provided, each city, borough, town and township, shall--

(1) Furnish evidence, annually, to the department that its treasurer is bonded in accordance with law;

(2) Submit a report, on forms furnished by the department, concerning the way or ways the funds provided in section one of this act shall be expended;

(3) Submit a proper report, on forms furnished by the department, on the fifteenth day of January for the period ending December thirty-first each year, showing the cost of work done pursuant to the funds provided in section four clause (1) of this act;

(4) Establish and maintain a special fund into which the moneys provided in section four clause (1) of this act shall be deposited and into which no other moneys may be deposited or comingled;

(5) Furnish evidence to the department that a tax to provide funds for road and street purpose is being levied for the year in which the allocation is made.

(5 amended Nov. 23, 2004, P.L.944, No.138)

Section 6. All materials used and work done with moneys herein allocated shall conform to the current specifications of the department or specifications approved by the department. All work done on State highways shall be subject to the approval, supervision and control of the department.

(6 amended Nov. 23, 2004, P.L.944, No.138)

Section 7. (a) The calculation of mileage shall be determined, annually, as of the first day of January by the department from reports submitted by the municipalities.

(b) The calculations involving population shall be made by the department, and shall be based on the latest available official census figures determined on or before the first day of January in the year the money is to be paid to the municipalities. Where the population of any municipality changes by reason of annexation, withdrawal or dissolution, the department shall not be presumed to have notice of such change until furnished with a statement approved by all affected political subdivisions or with an order of a court of competent jurisdiction.

(7 amended Nov. 23, 2004, P.L.944, No.138)

Section 8. The department shall make available, to the corporate authorities of the municipalities, copies of the laws with special reference to the pertinent provisions thereof, and regulations relating to the receipt and expenditure of any funds authorized herein.

(8 amended Nov. 23, 2004, P.L.944, No.138)

Section 9. The amount allocated hereby to be paid during any calendar year under section three of this act shall be determined by the amount received by the Commonwealth during the immediate preceding fiscal year from the first four and one-half cents (4 1/2¢) of the taxes and the portion of the taxes exceeding six cents (6¢) on each gallon.

(9 amended Feb. 9, 1961, P.L.11, No.8)

Section 10. Any funds appropriated and allocated under the provisions of clause (1) of section four of this act, withheld from any municipality for failure to comply with any of the provisions of this act for a period of two years, shall lapse.

Section 11. Section five, act of September 3, 1955 (Act No.18A), entitled "An act providing for reconstruction and repair of roads, streets, highways and bridges, damaged or destroyed, by the hurricane, flood or high water of August, 1955; making appropriations out of the Motor License Fund to the Department of Highways for allocation to political subdivisions, subject to approval of the State Council of Civil Defense, and for the reconstruction and repair of State highways and bridges thereon, and free bridges under the jurisdiction of the Delaware River Joint Toll Bridge Commission, and for allocation to cities, boroughs, towns and townships for general highway purposes," is repealed.

Section 12. This act shall take effect immediately.