
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2509 Session of
1982

INTRODUCED BY WASS, HASAY AND STUBAN, MAY 25, 1982

REFERRED TO COMMITTEE ON FINANCE, MAY 25, 1982

AN ACT

1 Providing compensation for those communities which are affected
2 by public utility electricity generating stations and incur
3 economic loss by virtue of having such facilities sited
4 within their jurisdictions.

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 "Community
9 Compensation Act."

10 Section 2. Declaration of policy.

11 The General Assembly finds and declares that:

12 (1) The public interest in commerce within this
13 Commonwealth and in the economic well-being of the citizenry
14 and the consumers of energy require that electricity
15 generating facilities be constructed and operated on a timely
16 basis.

17 (2) The construction and operation of such generating
18 facilities, which inure to the benefit of all segments of the

populace, should not create undue disadvantages to the residents of the communities in which they are located.

(3) Current taxing practices do not completely offset the tax loss caused by the removal of electricity generating stations from local tax rolls.

Section 3. Purpose.

It is the purpose of this act to compensate local taxing authorities in part for the lost property tax revenues and other burdens of electricity generating plants located within their jurisdictions.

Section 4. Definitions.

The following words or phrases when used in this act shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

"Affected local taxing authority." This term includes counties, cities, boroughs, townships, incorporated towns and school districts of the Commonwealth, each regardless of class and as limited below:

(1) Counties and school districts.--Includes any county any part of whose land area lies within ten miles of an electricity generating station.

(2) Cities, boroughs, townships, and incorporated towns.--Includes any such entity within whose borders lies any part of an electricity generating station.

"Department." The Pennsylvania Department of Revenue.

"Electricity generating station." Any electricity generating unit located in the Commonwealth and owned in whole or in part by a public utility as defined in the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," including such land as is contiguous thereto which is determined by the

1 department to be necessary for the operation thereof, whose
2 primary means of producing electricity is by use of steam or
3 water-driven turbines, the capacity of which is 25 megawatts or
4 greater as determined by nameplate rating. Excluded from this
5 term shall be all facilities identified in the reports specified
6 in section 6(d) as having no identifiable prospect for future
7 generation.

8 "Megawatt component." In any applicable fiscal year, 25% of
9 the total amount which is or would be in the fund created by
10 this act, after the amount specified in section 5(b) is paid
11 thereinto, divided by the sum of the nameplate ratings of all
12 electricity generating stations in the Commonwealth.

13 "Megawatt-hour component." In any applicable fiscal year,
14 75% of the total amount which is or would be in the fund created
15 by this act, after the amount specified in section 5(b) is paid
16 thereinto, divided by the sum of the net annual generations of
17 all electricity generating stations in the Commonwealth.

18 "Nameplate rating." The net continuous capability of an
19 electricity generating station, measured in megawatts as
20 determined by the rating affixed to the stations's primary
21 equipment.

22 "Net annual generation." The gross output of an electricity
23 generating station for the full calendar year first preceding
24 the October in which the distribution required in section 6 is
25 made, measured in megawatt-hours, less the electricity used at
26 such station, but in any event not less than zero.

27 Section 5. Community compensation fund.

28 (a) Fund created.--There is hereby created the Community
29 Compensation Fund, into which shall be paid the funds specified
30 in subsection (b), and which shall be administered by the

1 department in accordance with and for the purposes of this act.

2 (b) Payments into fund.--Annually, there shall be paid into
3 the Community Compensation Fund on or before August 15 the
4 following amounts from the tax levied and billed pursuant to
5 Article XI-A of the act of March 4, 1971 (P.L.6, No.2), known as
6 the "Tax Reform Code of 1971," for each of the following July 1-
7 June 30 fiscal years:

8 (1) For the 1983-1984 fiscal year, 1.0 mills.

9 (2) For the 1984-1985 fiscal year, 1.2 mills.

10 (3) For the 1985-1986 fiscal year, 1.4 mills.

11 (4) For the 1986-1987 fiscal year, 1.6 mills.

12 (5) For the 1987-1988 fiscal year, 1.8 mills.

13 (6) For each subsequent fiscal year, 2.0 mills.

14 (c) Reduced payments.--If the remainder of the tax collected
15 under the article referred to in subsection (b) would be less
16 than the amount required to distribute the total realty tax
17 equivalent as determined pursuant to the article referred to in
18 subsection (b), then the moneys paid into the Community
19 Compensation Fund shall be reduced by such amounts as may be
20 necessary to eliminate the deficiency between such remainder and
21 such equivalent.

22 Section 6. Annual distributions to affected local taxing
23 authorities.

24 (a) General rule.--Affected local taxing authorities shall
25 be entitled on or before October 1, 1984 and each succeeding
26 October 1, to an annual payment based on the nameplate rating
27 and net annual generation for the preceding calendar year of any
28 electricity generating station which affects them.

29 (b) Calculation of gross amount.--The gross annual payment
30 attributable to each electricity generating station which

1 affects local taxing authorities as defined in section 4 shall
2 be the sum of:

3 (1) The megawatt component multiplied by the nameplate
4 rating of the electricity generating station.

5 (2) The megawatt-hour component multiplied by the net
6 annual generation of the electricity generating station for
7 the last preceding calendar year.

8 (c) Annual payments.--Each affected local taxing authority
9 shall be entitled to the following payments annually from the
10 fund created by this act:

11 (1) Counties.--Twenty percent of the total amount
12 attributable to the electricity generating station which
13 affects them. Where more than one county is affected, as
14 defined by this act, the county share herein established
15 shall be divided among them according to the ratio of each
16 county's land area within the ten-mile affected area, as
17 defined in section 4, to the total land area within such ten-
18 mile affected area. Said money shall be paid directly to the
19 counties to be used for emergency management services.

20 (2) School districts.--Sixty-five percent of the total
21 amount attributable to the electricity generating station
22 which affects them. Where more than one school district is
23 affected, as defined by this act, the school district share
24 herein established shall be divided among them according to
25 the ratio of each school district's land area within the ten-
26 mile affected area, as defined in section 4, to the total
27 land area within such ten-mile affected area.

28 (3) Cities, boroughs, townships and incorporated
29 towns.--Fifteen percent of the total amount attributable to
30 the plant to be shared equally by all affected cities,

1 boroughs, townships and incorporated towns.

2 (d) Reports.--Annually, on or before April 1, every owner of
3 an electricity generating station shall report to the department
4 the following information for each electricity generating
5 station which it owns in whole or part.

6 (1) The location by local taxing authority.

7 (2) The nameplate capacity rating of such station.

8 (3) The net annual generation of electricity generated
9 for the preceding calendar year.

10 (4) Such additional information as may be required by
11 the department to administer this subchapter.

12 (e) Duties of the department.--The department shall
13 determine which taxing authorities are affected as intended by
14 this act. Furthermore, the annual payment authorized by this
15 section shall be calculated by the department on the basis of
16 information furnished pursuant to subsection (d) and payment
17 shall be made to each affected local taxing authority on or
18 before October 1 for each July 1-June 30 fiscal year. No payment
19 shall be made on account of any plant for which the gross
20 payment calculated under subsection (b) is less than \$5,000. In
21 addition the department shall have the power to adopt rules and
22 regulations for the enforcement and administration of this act
23 and it shall adopt regulations pursuant to which it shall
24 determine the taxing authorities affected by each electricity
25 generating station in the Commonwealth and, for new electricity
26 generating stations, the point at which the payments specified
27 in section 6 shall commence.

28 Section 7. Appropriations.

29 There is hereby appropriated for the purposes of this act
30 such amounts as from time to time are available in the fund

- 1 established by section 5.
- 2 Section 8. Effective date.
- 3 This act shall take effect in 30 days.