

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1418 Session of
2001

INTRODUCED BY ARMSTRONG, BARD, BARRAR, BELARDI, BELFANTI, BUNT,
CALTAGIRONE, CAPPELLI, COLAFELLA, COLEMAN, CREIGHTON, GEORGE,
HENNESSEY, HERMAN, HERSHEY, JAMES, KAISER, LAUGHLIN,
LEVDANSKY, LEWIS, MARKOSEK, McILHATTAN, R. MILLER, READSHAW,
SCHULER, B. SMITH, SOLOBAY, E. Z. TAYLOR, TRICH, WANSACZ,
WATSON, WILT, WOJNAROSKI, YOUNGBLOOD AND L. I. COHEN,
APRIL 24, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 24, 2001

AN ACT

1 Amending the act of December 18, 1984 (P.L.1005, No.205),
2 entitled "An act mandating actuarial funding standards for
3 all municipal pension systems; establishing a recovery
4 program for municipal pension systems determined to be
5 financially distressed; providing for the distribution of the
6 tax on the premiums of foreign fire insurance companies; and
7 making repeals," further providing for use of foreign fire
8 insurance tax moneys.

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

11 Section 1. Section 706(b) of the act of December 18, 1984
12 (P.L.1005, No.205), known as the Municipal Pension Plan Funding
13 Standard and Recovery Act, amended July 11, 1990 (P.L.505,
14 No.119), is amended to read:

15 Section 706. Use of foreign fire insurance tax moneys.

16 * * *

17 (b) Distribution of foreign fire insurance tax moneys.--

18 (1) The foreign fire insurance premium tax amount

1 applicable to a municipality served solely by paid
2 firefighters shall be allocated no later than September 30 to
3 the General Municipal Pension System State Aid Program
4 established pursuant to Chapter 4 for ultimate distribution
5 pursuant to section 402.

6 (2) The foreign fire insurance premium tax amount
7 applicable to a municipality served solely by volunteer
8 firefighters shall be paid to the municipality, which shall
9 within 60 days of the date of the receipt of the moneys from
10 the State Treasurer pay the amount received to the relief
11 association fund of the fire department or departments, or
12 fire company or companies, now existing or hereafter
13 organized, inside or outside of the municipality, which is or
14 are actively engaged in the service of the municipality and
15 duly recognized by the governing body of the municipality.
16 For the first five years following the merger or
17 consolidation of one or more fire departments or fire
18 companies, the governing body shall distribute funds to the
19 various relief associations in the same proportions as the
20 last year prior to the merger or consolidation.

21 (3) The foreign fire insurance premium tax amount
22 applicable to a municipality served by both paid firefighters
23 and volunteer firefighters shall be divided into the portion
24 applicable to paid firefighters and the portion applicable to
25 volunteer firefighters. The division of the amount shall be
26 based on the proportion of the actual fire protection service
27 in the municipality provided by each type of firefighter as
28 certified by the municipality, except that in no event shall
29 the portion applicable to paid firefighters be less than the
30 smaller of the amount of foreign fire insurance premium tax

1 applicable to the municipality or \$1,100 per paid
2 firefighter. The ultimate distribution of the portion
3 applicable to paid firefighters shall be governed by
4 paragraph (1). The distribution of the portion applicable to
5 volunteer firefighters shall be governed by paragraph (2).

6 Section 2. This act shall apply to distributions of the
7 foreign fire insurance premium tax made after January 1, 2001.

8 Section 3. This act shall be retroactive to January 1, 2001.

9 Section 4. This act shall take effect immediately.