

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 34 Session of
2011

INTRODUCED BY GIBBONS, CREIGHTON, HORNAMAN, HUTCHINSON, KULA,
MILLARD AND MURT, OCTOBER 13, 2011

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 13, 2011

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.

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
19 majority of primary municipal services, such as police, fire

protection and code enforcement to the off-campus student population of a university.

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

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

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

Section 3. Municipal Service Grants.

Beginning with the 2011-2012 fiscal year and for each fiscal year thereafter, the department shall make payments in the form of grants for the purpose of reimbursing those municipalities that provide primary municipal services to universities.

Section 4. Reimbursable expenses.

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

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

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

Section 5. Distribution formula.

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

(1) Divide the university's full-time equivalent student enrollment for the previous academic year by the total full-

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

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

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

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

16 Section 6. Main campus in multiple municipalities.

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

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

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

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

29 The department shall designate only one municipality as the host
30 municipality and only one municipality as the impacted

1 municipality for each regional State System of Higher Education
2 university.

3 Section 7. Appropriation.

4 The amount of \$3,000,000 is hereby appropriated to the
5 Department of Community and Economic Development for the fiscal
6 year 2011-2012 to carry out the provisions of this act.

7 Section 8. Effective date.

8 This act shall take effect immediately.