

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 567 Session of
2013

INTRODUCED BY SONNEY, BARRAR, EMRICK, GROVE, HESS, MILLER,
MUSTIO AND SAYLOR, FEBRUARY 8, 2013

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 8, 2013

AN ACT

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

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

12 Section 1. Section 607(f)(1) of the act of December 18, 1984
13 (P.L.1005, No.205), known as the Municipal Pension Plan Funding
14 Standard and Recovery Act, amended September 18, 2009 (P.L.396,
15 No.44), is amended to read:

16 Section 607. Remedies applicable to various recovery program
17 levels.

18 * * *

19 (f) Special municipal taxing authority.--

20 (1) If the tax rates set by the municipality on earned
21 income or on real property are at the maximum provided by

1 applicable law, the municipality may increase its tax on
2 either the earned income of residents or real property above
3 those maximum rates. The proceeds of this special municipal
4 tax increase shall be used solely to defray the additional
5 costs required to be paid pursuant to this act which are
6 directly related to the pension plans of the municipality.
7 The municipality utilizing this special municipal taxing
8 authority shall not reduce the level of municipal
9 contributions to the pension plans prior to the
10 implementation of the special municipal taxing authority.

11 * * *

12 Section 2. The amendment of section 607(f)(1) of the act
13 shall apply to municipalities that impose tax on the earned
14 income of nonresidents prior to the effective date of this
15 section.

16 Section 3. This act shall take effect January 1 of the year
17 that commences at least 30 days after the date of enactment.