

Legislative Locator

The Legislative Locator is a Monthly Publication of The Pennsylvania Municipal League



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Locator**

July 2022

2022/2023 State Budget Overview

After being delayed for a week, the General Assembly passed the state budget with little public discussion or debate. The House passed the measure 180-20 on July 7; and the Senate agreed to the House budget the following day 47-3. The Governor signed the budget bill and its corresponding legislation on July 8.

In negotiating this year's budget, the Administration and General Assembly had a multibillion dollar surplus to work with including \$2.16 billion in unspent ARPA funds. The 2022/23 spending plan is a 3% increase over last year and comes in at \$42.8 billion. In addition to ARPA allocations, there are funding increases across most, if not all, state agencies, as well as \$2 billion for the state's rainy day fund. There are also unspent funds totaling \$3.6 billion.

Following are some highlights of interest to local government.

Basic education received \$750 million, an 11.4% increase, with \$525 million distributed through the fair funding formula and an additional \$225 million distributed to the 100 lowest-spending districts. Districts are also receiving over \$200,000 each for mental health grants and physical safety grants. Early childhood education, public libraries and career and technical education also received increases. The State System of Higher Education received a \$200 million increase, as did the state's higher education grant programs.

The PA Commission on Crime and Delinquency received ARPA funds for several programs: \$135 million for Local Law Enforcement Support grants; \$50 million for Gun Violence Investigation and Prosecution grants; and \$75 million for Violence Intervention and Prevention grants. Additionally, community violence reduction programs received \$30 million.

Under Community and Economic Development, ARPA funds are providing the Commonwealth Financing Agency with \$320 million for water and sewer projects under the existing H²O PA Program and the PA Small Water and Sewer Program. A new program called Whole Home Repairs will receive \$125 million in ARPA funds for a comprehensive approach to updating current housing stock making available grants for homeowners and loans for small landlords. The Keystone Communities Program will receive a nearly 25% increase for a total of \$36.9 billion. Of that, \$6.37 million supports the Main Street, Elm Street and Enterprise Zone and accessible housing programs.

Under Environmental Protection and Conservation and Natural Resources, \$100 million in ARPA funds are supporting the State Parks and Outdoor Recreation Program, as well as a \$220 million infusion into the Clean Streams Fund.

Under the Motor License Fund, there is a \$25 million increase in local road maintenance and construction payments. And, a \$5 million increase in municipal traffic signalization grants with no matching fund requirement. There is also a continued reduction in funds taken from the Motor License Fund to pay for the State Police.

A new provision in the Tax Code updates and stabilizes the Insurance Premium Tax (IPT) revenue, a portion of which that is transferred to the Fire Insurance Tax Fund and the Municipal Pension State Aid Fund annually. Beginning with the 2022/23 fiscal year, The Fire Insurance Tax Fund will receive

the greater of \$85 million or 8.5% of the IPT. The Municipal Pension State Aid Fund will receive the greater of \$345 million or 38% of the IPT revenue. This change locks in a minimum amount of annual funding and allows for growth through the percentages, and the distribution of these funds to municipalities does not change.

Finally, ARPA funds are being used for a \$140 million supplement for the Property Tax/Rent Rebate Program. Recipients will receive an additional payment at 70% of their 2021 payment. There is a rate reduction of the Corporate Net Income Tax from the current 9.9% down to 4.9% by 2031. Lastly, the budget includes a new tax child care tax credit equal to 30% of the federal child care tax credit.

For more details on the state budget, please visit: <https://www.houseappropriations.com/>



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#StrengthThroughEngagement

Redevelopment Assistance Capital Program Application Window Now Open

A second application window for the Redevelopment Assistance Capital Program (RACP) has been announced by the Wolf Administration.

This RACP window opening is only for new projects and the previous window will be closed.

Applications opened on Monday, July 25th, and will close on Friday, August 19th. New applications will be posted and the 30-day public comment period will begin shortly after applications close.

Please visit the [Office of the Budget's website](#) for more information and application instructions.

PennDOT Traffic Signal Grant Program

[Act 54 of 2022](#), enacted on July 11, 2022, includes \$5 million to provide grants to municipalities to install and maintain traffic signal technologies. The Traffic Signal Technologies Grant (TSTG) program is a reimbursement grant program for municipalities that is administered by PennDOT. The funding was added to the municipal traffic signals appropriation, which is also used to fund the [Green Light-Go](#) program. Therefore, PennDOT will administer the additional funds for traffic signal technologies similar to the Green Light-Go program. No matching funds are required for the TSTG program.

The total amount of grant funding available is \$5 million. Applications will be accepted from September 1, 2022 to September 30, 2022. A [pre-application scoping form](#) is required and may be submitted to RA-PDSignalFunding@pa.gov beginning immediately.

Enacted Legislation

Act 41 of 2022

Senate Bill 477

Signed: July 7, 2022

Effective: September 5, 2022

[Act 41](#) amends Title 53 (Municipalities Generally) consolidating existing processes and providing procedures for municipal boundary changes, as well as clarifying a property's assessed value and improvements.

Two or more abutting municipalities, upon the adoption of an ordinance, may transfer or exchange territory or clarify territorial boundaries. No boundary change may result in territory not incorporated in any municipal corporation. Within 15 days of enacting such an ordinance, a municipality is required to: assign a distinctive designation to any impacted territory; file the ordinance and plot with the clerk of court and commissioners of each impacted county; and notify the record owner of each impacted property in writing.

Municipalities may enter into agreements regarding cost sharing, division of tax revenues and transfer of indebtedness if the adopted ordinance does not include such compromises. Within 15 days after a boundary change has taken effect, the municipal governing bodies shall file a final report of the boundary change. All taxes assessed and levied against a property impacted by the boundary change prior to the effective date shall be paid to the municipality which levied the tax, and the collection and enforcement of taxes shall be as though the boundary change had not taken place.

The Act also provides for a process to establish disputed municipal boundaries, and it establishes a referendum process for residents to suspend a boundary change.

In addition to municipal boundary changes, this Act addresses property value assessments and improvements. Painting or normal repairs are not deemed cause for change in valuation by an assessor. Normal repairs include maintaining or updating existing structures or features of the property. Municipalities may provide for electronic building and demolition permits to the County Assessment Office, and the act creates a noncompliance process for municipal failure to forward permits to the Assessment Office. It also increases the threshold for substantial property improvements from \$2,500 to \$4,000 and establishes an annual increase in the substantial property improvement value based on the Consumer Price Index.

Counties, by ordinance, may require all individuals making substantial improvements to their property to submit an improvement certificate whether or not the improvement requires a permit. An individual who fails to submit an improvement certificate may face a civil penalty of no more than \$100.

Act 42 of 2022

Senate Bill 563

Signed: July 7, 2022

Effective: September 5, 2022

[Act 42](#) amends the Fire and Panic Act requiring family child care facilities licensed by the Department of Human Services to: install a fire alarm on each floor, including the basement; keep a portable fire extinguisher in the kitchen; and follow occupancy requirements. Installed fire alarms must be interconnected through Bluetooth or other hardware allowing for communication between alarms, and the alarms must be audible in all locations within the facility.

A family child care facility is required to implement these changes in no less than 12 months or upon the expiration of their license, whichever date comes later.

Act 57 of 2022

House Bill 430

Signed: July 11, 2022

Effective: October 9, 2022

[Act 57](#) amends the Local Tax Collection Law regarding the waiver of penalties for non-payment.

A taxing district, by ordinance or resolution, shall require its tax collector to waive a penalty charged for non-payment of real estate taxes if the taxpayer provides a waiver request of any charges to the tax collector within one year of purchasing the property, and the taxpayer attests that the tax notice was never received.

The taxpayer seeking a waiver request must provide the tax collector with a copy of one of the following: the deed showing the date of property transfer; or the title of a mobile home or manufactured home subject to taxation; or a copy of an executed lease between the owner of the mobile or manufactured home and the owner of a parcel of land on which the home will be situated. The taxpayer must also pay the remaining real estate tax due when submitting the waiver request.

The Department of Community and Economic Development is responsible for developing and making available a waiver and attestation form. A tax collector that accepts a waiver and payment in good faith shall not be personally liable for any amount due.

Act 58 of 2022

House Bill 581

Signed: July 11, 2022

Effective: September 9, 2022

[Act 58](#) establishes the Affordable Housing Unit Tax Exemption Act authorizing local taxing authorities, through ordinance or resolution, to abate property taxes in order to encourage the development of affordable housing. Eligible low-income taxpayers may be granted a tax-exemption; a 10-year tax exemption may be granted for new construction or improvements to affordable housing units in a designated deteriorated area; and a 2-year exemption may be granted for new construction or improvements to affordable housing units in other areas not designated as deteriorated. The Act provides for a definition of "affordable housing unit."

Act 67 of 2022

House Bill 1615

Signed: July 11, 2022

Effective: Immediately

[Act 67](#) amends the Liquor Code expanding the use of amplified sound on their property to all licensed entities, including restaurants, bars, hotels and wineries. The sound must not exceed 75 decibels and is limited to the hours of 10:00 a.m. to 9:00 p.m. Sunday through Thursday and 10:00 a.m. to 12:00 a.m. Friday and Saturday. This only applies to licensees in Class 2A to Class 8 Counties.

Municipalities still retain their authority under Section 493.1(b) of the Liquor Code to petition the Liquor Control Board to enforce their own noise ordinances over the Liquor Code in regards to amplified sound.

Lastly, the Act also provides for the sale and distribution of malt and brewed beverages.

Act 72 of 2022

House Bill 2097

Signed: July 11, 2022

Effective: September 9, 2022

[Act 72](#) amends Title 35 (Health and Safety) reducing the staffing requirement at the time of transport for Basic Life Support ambulances to a driver and at least one EMS provider, who is an EMT or higher, to attend to the patient. This Act expires on April 29, 2027.

Act 74 updates the current fireworks law to address the illegal use of consumer fireworks.

The Act moves the current fireworks law from the Tax Code back to Title 3 (Agriculture) of the Pennsylvania Statutes where it was housed prior to the 2017 legalization of consumer fireworks. While much of the underlying law remains unchanged, there are updates aimed at curbing the illegal use of consumer fireworks. The Act also includes updates to display fireworks provisions and fireworks sales.

Following are provisions related to consumer fireworks:

- Adds clarifying language to the prohibition of use on public property by enumerating examples of public property. It clarifies that the 150-foot clearance rule is from *any* structure or vehicle, including a structure or vehicle owned by the firework's user.
- In dense municipalities where the 150-foot clearance rule makes discharging consumer fireworks illegal throughout, the Act contains clear language that a municipality may adopt an ordinance prohibiting use.
- Authorizes municipalities to require a permit to use consumer fireworks and charge a reasonable fee. The exception to municipal permitting are the holidays of July 4, December 31, Labor Day and Memorial Day holidays and immediately preceding and following weekends.
- Municipalities have the option to restrict the hours of use. This option is limited, however, to the following: no use between the hours of 10 p.m. and 10 a.m. with the exception of July 4 and December 31 when use is allowed until 1 a.m. When July 4 falls mid-week, use is allowed until 1 a.m. on the immediately preceding and following Friday and Saturday.
- Adds a conditional use provision stating no person may use consumer fireworks within 150 feet of an animal housing facility or fenced area for livestock. The owner or manager of the livestock must be given written notice 72 hours in advance of use within 150 to 300 feet of the animal facility.
- Authorizes municipalities to enact limitations on the sale or use of consumer fireworks that do not conflict with the law. Pending solicitor guidance, possible limitations could include regulations through noise and nuisance ordinances.
- Authorizes confiscation of any unused fireworks if being used in violation of the law.
- Requires sellers to conspicuously post or provide notice to purchasers of the prohibitions on consumer fireworks use including notice that individual municipalities may have additional restrictions.
- Increases the penalty to no more than \$500 for a first offense. For subsequent offenses within three years of a prior conviction, the fine is increased to no more than \$1,000. Consumer fireworks use offenses are summary offences only. There are also increases in fines and penalties for illegal use of display fireworks and illegal sales.
- Finally, the full 12% tax collected on consumer fireworks will be directed annually to public safety as opposed to the \$2 million cap in current law. In fiscal year 2020/2021, revenue was \$14 million. Pending the legislative enactment of various programs and State Fire Commissioner guidelines, the revenue would be distributed as follows:
 - \$1.5 million for Emergency Medical Service Grants;
 - \$250,000 for the Online Training Educator and Training Reimbursement Account for delivering, developing and sustaining training programs for both volunteer and career firefighters. This was previously limited to volunteer firefighters only;
 - \$1 million for PA Higher Education Assistance Agency to provide loan forgiveness and tuition assistance to students or graduates who are active volunteer firefighters and EMS personnel;
 - \$1 million for the Department of Health to train EMS personnel;

- o \$500,000 for the Office of the State Fire Commissioner to provide emergency services training center capital grants;
- o \$500,000 for the Office of the State Fire Commissioner to provide career fire department capital grants;
- o \$250,000 for the Office of the State Fire Commissioner to provide for a public education and safety campaign around the safe use of consumer fireworks;
- o \$500,000 to the Office of the State Fire Commissioner to be used for reimbursement to a Pennsylvania bomb squad for costs associated with removal, storage, and destruction of fireworks; and
- o Any remaining money shall be divided equally, 50 percent for the Emergency Medical Services Grant Program and 50 percent for the Fire Company Grant Program.

The League is working to provide a model ordinance as soon as possible to help with the implementation of the new provisions.

Act 92 of 2022

Senate Bill 1183

Signed: July 11, 2022

Effective: September 9, 2022

[Act 92](#) amends Title 42 (Judiciary and Judicial Procedure) and Title 75 (Vehicles) prohibiting the operation of an ATV or dirt bike on a highway or its shoulder, a sidewalk or bike lane in any First Class, Second Class, Second Class A or Third Class City in the Commonwealth. The Act lays out an exception for the direct crossing of a highway. An individual in violation of this Act commits a summary offense, with the first offense resulting in a \$50 to \$200 fine or 10 days imprisonment for failure to pay the fine. All subsequent offenses would result in a \$100 to \$300 fine or 30 days imprisonment for failure to pay the fine. Additionally, the individual's ATV or dirt bike is subject to impoundment pending final disposition of the case and forfeiture if convicted.

Lastly, this Act adds definitions for "dirt bike," "dual sport motorcycle" and "electric pedalcycle."

Vetoed Legislation

Local Preemption Regarding Utility Services

Senate Bill 275

Vetoed: July 11, 2022

[Senate Bill 275](#) (PN 1163), introduced by Senator Gene Yaw, would have amended Title 53 (Municipalities Generally) preempting municipalities regarding utilities and sources of energy.

A municipality would have been prohibited from adopting a policy that: restricts, or has the effect of restricting or prohibiting, the connection or reconnection of a utility service based on the source of energy; the ability of an individual or entity to use an authorized utility provider; or discriminates against a utility service provider based on the nature or source of the service.

The bill would have preserved a municipality's authority to: manage or operate a publicly owned utility; to reduce greenhouse gas emissions from municipal facilities and operations; and to exercise land use authority in accordance with the Municipalities Planning Code.

The Governor vetoed the bill because it would have preempted local government, opened local governments to litigation and unintended consequences and limited the tools available to local governments in regard to energy and climate matters. The League requested a veto from the Governor's office as the bill progressed through the General Assembly.

How Cities and Counties are Putting American Rescue Plan Dollars to Work

As the COVID-19 economic and public health emergencies continue to abate, local leaders nationwide are adjusting to a reality in which—at least in the short term—they have significant resources to address both acute and longstanding challenges. Many of those resources are flowing to cities and counties via the American Rescue Plan Act's (ARPA's) flexible State and Local Fiscal Recovery Fund (SLFRF).

[Read More](#)

HOUSE AND SENATE SESSION DAYS 2022

House:

August – Summer Recess
September – 12-14, 19-21
October – 24-26

Senate:

August – Summer Recess
September – 19-21
October – 17-19, 24-26

**reminder - session dates are subject to change*



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