

No. 1990-119

AN ACT

SB 929

Amending the act of December 18, 1984 (P.L.1005, No.205), entitled "An act mandating actuarial funding standards for all municipal pension systems; establishing a recovery program for municipal pension systems determined to be financially distressed; providing for the distribution of the tax on the premiums of foreign fire insurance companies; and making repeals," further providing for the allocation of general municipal pension system State aid and for the distribution of the foreign fire insurance premium tax.

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

Section 1. Sections 402(e)(5) and 706(b) of the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act, are amended to read:

Section 402. Revision of financing from State revenue sources; General Municipal Pension System State Aid Program.

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(e) Allocation of general municipal pension system State aid.—

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(5) For the period commencing with the distribution made during calendar year 1996, each eligible municipality shall be entitled to receive as general municipal pension system State aid the [lesser] *greater* of the following amounts:

(i) the adjusted amount of general municipal pension system State aid per unit multiplied by the number of units certified by that municipality less any amount by which the adjusted amount exceeds the maximum aid amount applicable to the municipality pursuant to subsection (f)(2); or

(ii) the revised amount of general municipal pension system State aid per unit multiplied by the number of units certified by that municipality, which revised amount shall be determined pursuant to paragraph (6).

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Section 706. Use of foreign fire insurance tax moneys.

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(b) Distribution of foreign fire insurance tax moneys.—

(1) The foreign fire insurance premium tax amount applicable to a municipality served solely by paid firefighters shall be allocated no later than September 30 to the General Municipal Pension System State Aid Program established pursuant to Chapter 4 for ultimate distribution pursuant to section 402.

(2) The foreign fire insurance premium tax amount applicable to a municipality served solely by volunteer firefighters shall be paid to the

municipality, which shall within 60 days of the date of the receipt of the moneys from the State Treasurer pay the amount received to the relief association fund of the fire department or departments, or fire company or companies, now existing or hereafter organized, inside or outside of the municipality, which is or are actively engaged in the service of the municipality and duly recognized by the governing body of the municipality.

(3) The foreign fire insurance premium tax amount applicable to a municipality served by both paid firefighters and volunteer firefighters shall be divided into the portion applicable to paid firefighters and the portion applicable to volunteer firefighters. The division of the amount shall be based on the proportion of the actual fire protection service in the municipality provided by each type of firefighter as certified by the municipality, except that in no event shall the portion applicable to paid firefighters be less than the smaller of the amount of foreign fire insurance premium tax applicable to the municipality or **[the revised amount of general municipal pension system State aid per unit for the previous year determined pursuant to section 402, per paid firefighter, which for 1985 shall be deemed to be]** \$1,100 *per paid firefighter*. The ultimate distribution of the portion applicable to paid firefighters shall be governed by paragraph (1). The distribution of the portion applicable to volunteer firefighters shall be governed by paragraph (2).

Section 2. This act shall apply to distributions of the foreign fire insurance premium tax made after January 1, 1990.

Section 3. This act shall take effect immediately.

APPROVED—The 11th day of July, A. D. 1990.

ROBERT P. CASEY