

## No. 599

## AN ACT

Amending the act of May 21, 1931 (P. L. 149), entitled, as amended, "An act imposing a State tax, payable by those herein defined as distributors, on liquid fuels used or sold and delivered within the Commonwealth, which are practically, and commercially suitable for use in internal combustion engines for the generation of power; providing for the collection and lien of the tax, and the distribution and use of the proceeds thereof; requiring such distributors to secure permits, to file corporate surety bonds and reports, and to retain certain records; imposing duties on retail dealers, common carriers, county commissioners, and such distributors; providing for rewards; imposing certain costs on counties; conferring powers and imposing duties on certain State officers and departments; providing for refunds; imposing penalties; and making an appropriation," providing for deductions from the amount of moneys paid to counties.

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

**The Liquid Fuels Tax Act.**

Section 1. Section 2, act of May 21, 1931 (P. L. 149), known as "The Liquid Fuels Tax Act," is amended by adding, after the definition of "Magistrate," a new definition to read:

Section 2, act of May 21, 1931, P. L. 149, amended by adding a new definition "Mass Transportation Systems."

Section 2. Definitions.—The following words, terms, and phrases, when used in this act, shall have the meanings ascribed to them in this section, except in those instances where the context clearly indicates a different meaning.

\* \* \* \* \*

*"Mass Transportation Systems." Persons subject to the jurisdiction of the Pennsylvania Public Utility Commission and Municipality Authorities, that transport persons on schedule over fixed routes and derive ninety per cent of their intrastate scheduled revenue from scheduled operations within the county in which they have their principal place of business, or counties contiguous thereto.*

\* \* \* \* \*

Section 2. Section 10 of the act, amended May 29, 1951 (P. L. 485), May 28, 1956 (P. L. 1776) and April 29, 1959 (P. L. 283), is amended to read:

Section 10, act of May 21, 1931, P. L. 149, amended May 29, 1951, P. L. 485, May 28, 1956, P. L. 1776, and April 29, 1959, P. L. 283, further amended

Section 10. Disposition and Use of Tax.—(a) One-half cent per gallon of the permanent tax of three cents a gallon collected under the provisions of this act shall be paid into the Liquid Fuels Tax Fund of the State Treasury; and such moneys, paid into said fund, are hereby specifically appropriated for the purposes hereinafter set forth.

The moneys so paid into the Liquid Fuels Tax Fund, except those that are refunded as hereinafter provided,

shall be paid to the respective counties of this Commonwealth, *less such amounts as represent the difference between the annual fees prescribed in sections 709 and 710 of "The Vehicle Code" and those fees charged pursuant to section 710.1 of "The Vehicle Code" for annual registration of each motor vehicle operated by mass transportation systems*, on the first day of June and December of each year, in the ratio that the average return made during the three (3) preceding years to each county bears to the average amount returned to all counties for the three \*preceding years: Provided, That the distribution of tax to the counties from the Liquid Fuels Tax Fund that is payable the first day of August, one thousand nine hundred and thirty-one, shall be made under the provisions of the acts of Assembly repealed by this act. *Such amounts as represent the difference between the annual fees prescribed in sections 709 and 710 of "The Vehicle Code" and those fees charged pursuant to section 710.1 of "The Vehicle Code" shall be paid into the Motor License Fund.*

All moneys received by the counties hereunder shall be deposited and maintained in a special fund designated as the "County Liquid Fuels Tax Fund" into which no other moneys shall be deposited and commingled, except in any county which does not have sufficient money in such special fund to provide for payments designated in the current annual budget for payment from such special fund for the purposes of construction, reconstruction, maintenance and repair of county-owned roads, highways and bridges, property damages, interest and principal payments on road or bridge bonds, or sinking fund charges for such bonds becoming due within the current calendar year. The county, for the purpose of such payments and such payments only, may borrow and place in such special fund moneys, not in excess of the liquid fuels tax funds to be received during the current calendar year, and all such loans shall be repaid from such special fund before the expiration of the current calendar year and not thereafter. Moneys so received and deposited shall be used only for the purpose of construction, reconstruction, maintenance, and repair of roads, highways and bridges, including the payment of property damage, now due or hereafter to become due, occasioned by or the relocation or construction of highways and bridges, and for the payment of interest and sinking fund charges on bonds issued or used for highways and bridge purposes, or on so much of any bonds as have been used for such purposes, and all payments made by any county, either directly or indirectly, prior to the first day of January, one thousand nine hundred and forty-six, for any or all such

\* "preceding" in original.

purposes are hereby validated: Provided, That no expenditures from the county liquid fuels tax fund shall be made by the county commissioners for new construction on roads or bridges without first having obtained the approval of the plans for such construction from the Department of Highways: And provided further, That the county commissioners shall not allocate moneys from the county liquid fuels tax fund to any political subdivision within the county, until the application and the contracts or plans for the proposed expenditures have been made on forms, prescribed, prepared and furnished, and first approved by the Department of Highways. The county commissioners of each county shall make to the Department of Highways, on or before the fifteenth day of January and July for the periods ending December thirty-first and June thirtieth, respectively, of each year, on forms prescribed, prepared, and furnished by the Department of Highways, a report showing the receipts and expenditures of such moneys received by the county, from the Commonwealth under the provisions of this section. Copies of such reports shall be transmitted to the department and to the Department of the Auditor General for audit. Upon the failure of the county commissioners to file any one of such reports, or to make any payments, allocations or expenditures, in compliance with the provisions of this section, the department shall withhold further payments to the county out of the Liquid Fuels Tax Fund until the delinquent report is filed, transmitted, or said moneys allocated, or said expenditures for the prior six months are approved by the Department of Highways.

(b) The county commissioners may allocate and apportion moneys from the county liquid fuels tax fund to the political subdivisions within the county in the ratio as provided in this subsection: Provided, however, That when the unencumbered balance in the county liquid fuels tax fund is greater than the receipts for the twelve months immediately preceding the date of either of said reports the county commissioners shall notify the said political subdivisions to make application within ninety (90) days for participation in the redistribution of the said unencumbered balance, which redistribution shall be effected within one hundred twenty (120) days of the date of either of said reports, and distribute the said unencumbered balance in excess of fifty per cent (50%) of the receipts for the previous twelve months aforesaid to the said political subdivisions making application therefor in the following manner: fifty per cent (50%) of said moneys shall be allocated and apportioned among the political subdivisions within the county in the ratio which the total mileage of all roads and streets, maintained by the several political subdivisions making

application, bears to the total mileage of all such roads and streets, maintained by such political subdivisions in the county as of January first of the year in which an allocation is made, and: Provided further, That the remaining fifty per cent (50%) of said moneys shall be allocated and apportioned among the same subdivisions on a population basis in the ratio which the population in each such division of the county, making applications, bears to the total population of such political subdivisions: Provided, further, That in the case of an emergency and upon approval of the Department of Highways, the county commissioners may enter into contracts and obligations for the expenditure of the estimated liquid fuels tax receipts for a period not exceeding two years, and receive a credit for such expenditures against such subsequent receipts: And provided further, That except in the case of an emergency, as heretofore authorized, no county shall carry over any credit balance against future fuel tax receipts from year to year, and any credit balance now carried on the reports or in the records of the county commissioners, the department or the Department of the Auditor General are \*herby specifically invalidated and declared null and void.

(c) The Department of Highways shall annually issue to the county commissioners and to the corporate authorities of the political subdivisions in the counties, copies of the laws with special reference to the pertinent provisions thereof, and regulations relating to the receipts and expenditures of any funds authorized to be apportioned, allocated or expended, as provided herein.

(d) The remaining two and one-half cents per gallon of the permanent tax \*\*of three cents a gallon, all additional taxes collected under the provisions of this act, the permanent tax of one and one-half cents a gallon imposed and assessed on liquid fuels used or sold and delivered for use as a fuel in propeller-driven aircraft or aircraft engines and one and one-half cents a gallon on liquid fuels used or sold and delivered for use as a fuel in jet or turbo-jet propelled aircraft or aircraft engines in lieu of other taxes, all penalties and interests and all interest earned on deposits of the Liquid Fuels Tax Fund, shall be paid into the Motor License Fund and are hereby specifically appropriated for the same purposes for which moneys in the Motor License Fund are appropriated by law.

Effective date.

Section 3. This act shall take effect January 1, 1960.

APPROVED—The 1st day of December, A. D. 1959.

DAVID L. LAWRENCE

\* "herby" in original.  
 \*\* "or" in original.