

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1610 Session of 2023

INTRODUCED BY D'ORSIE, KEEFER, FINK, BERNSTINE, ZIMMERMAN,  
STEHR, M. JONES AND GROVE, AUGUST 8, 2023

REFERRED TO COMMITTEE ON FINANCE, AUGUST 8, 2023

AN ACT

1 Amending the act of December 18, 1984 (P.L.1005, No.205),  
2 entitled "An act mandating actuarial funding standards for  
3 all municipal pension systems; establishing a recovery  
4 program for municipal pension systems determined to be  
5 financially distressed; providing for the distribution of the  
6 tax on the premiums of foreign fire insurance companies; and  
7 making repeals," in financially distressed municipal pension  
8 system recovery program, providing for disposition of money  
9 from sale or lease of municipal assets; and, in foreign fire  
10 insurance tax distribution, further providing for  
11 distribution formula.

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

14 Section 1. The act of December 18, 1984 (P.L.1005, No.205),  
15 known as the Municipal Pension Plan Funding Standard and  
16 Recovery Act, is amended by adding a section to read:

17 Section 610. Disposition of money from sale or lease of  
18 municipal assets.

19 (a) Deposit of proceeds.--If a local government maintains a  
20 pension plan or system that has been determined under section  
21 503 to be in moderate distress or severe distress, after the  
22 sale or lease of a municipal asset, the local government shall

1 deposit enough proceeds generated by the sale or lease into the  
2 distressed pension fund in accordance with subsection (b).

3 (b) Money for pension plans.--Notwithstanding any priority  
4 payments necessary to satisfy secured or unsecured debt of a  
5 local government or a local government authority, money  
6 generated by the sale or lease of a municipal asset shall be  
7 placed into the distressed pension fund until the distressed  
8 pension fund is determined to be 80% funded by the Auditor  
9 General in accordance with the procedures in Chapter 2.

10 Section 2. Section 704 of the act is amended to read:

11 Section 704. Distribution formula.

12 Except as provided in section 705, the amount [to be paid to  
13 each municipality shall be determined as follows:

14 (1) fifty percent of the fund shall be distributed based  
15 on the population of each municipality in proportion to the  
16 population of the entire Commonwealth, based upon the latest  
17 national population census as reported by the United States  
18 Bureau of Census; and

19 (2) fifty percent of the fund shall be distributed based  
20 on the market value of real estate of each municipality in  
21 proportion to the market value of real estate for the entire  
22 Commonwealth, based upon the most recent statistics from the  
23 State Tax Equalization Board.] in the fund shall be divided  
24 equally between all local governments that maintain a pension  
25 plan or system that have been determined under section 503 to  
26 be in moderate distress or severe distress status. All money  
27 received by a local government shall make payments to satisfy  
28 secured or unsecured debt.

29 Section 3. This act shall take effect in 60 days.