

MUNICIPAL FEE FOR STATE POLICE COVERAGE OF LOCAL MUNICIPALITIES

Rep. Mike Sturla
Lancaster County
96th Legislative District

House Bill 959

2019-20 Legislative Session

ABOUT THE BILL

House Bill 959 would require municipalities to pay a fee if the Pennsylvania State Police (PSP) provides their local municipal police patrol services.

Over 28 percent of Pennsylvania's population receives either a portion or all of their local police patrol coverage from the PSP for free while the rest of the state pays for both their own local police force and PSP services. **In essence, 9.4 million are subsidizing free police protection for 3.3 million.** In 2016, PSP received \$802 million from the Motor License Fund, but that fund is now being capped to ensure that the money goes to its originally intended purpose of road and bridge maintenance.

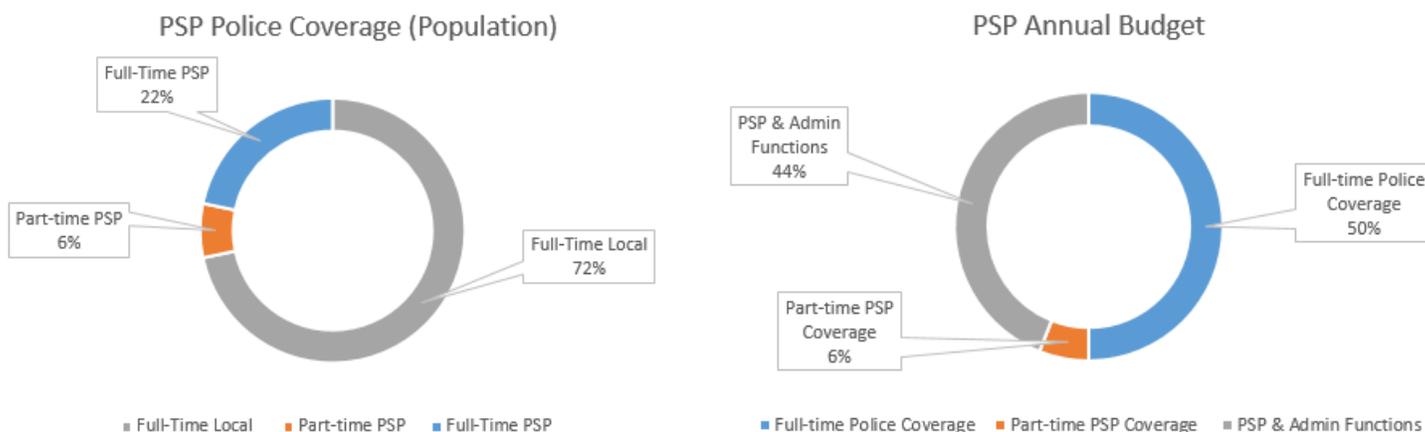
Without this action, the General Fund could become a target source for replacing the funding lost as a result of the cap.

The PSP and Legislative Budget and Finance Committee estimate the per capita cost of providing policing services is \$234. The fee proposed in this bill would offer these municipalities a bargain while protecting the General Fund and providing a dedicated funding source for the PSP to continue its local patrol services to municipalities.

In 2027, the Motor License Fund cap reduction ends and will remain at \$500 million. Thus, there will be no further increase in fees for PSP patrol services under House Bill 959. **The fee would generate over \$2 billion over an 11-year period by 2029 for PSP operations.**

"All proceeds from gasoline and other motor fuel excise taxes, motor vehicle registration fees and license taxes, operators' license fees and other excise taxes imposed on products used in motor transportation ...shall be appropriated by the General Assembly to agencies of the State or political subdivisions thereof; and used solely for construction, reconstruction, maintenance and repair of and safety on public highways and bridges and costs and expenses incident thereto, and for the payment of obligations incurred for such purposes, and shall not be diverted by transfer or otherwise to any other purpose ..."

- Pa Const. art. VIII, §11 cl.(a) Gasoline Taxes and Motor License Fees Restricted



While the PSP provides some form of coverage to approximately 28% of the population (left), their budget breakdown shows that the cost to patrol these areas accounts for 56% of their annual budget (right).

ABOUT THE FEE

House Bill 959 would phase in a municipal fee to make for a more seamless transition for municipalities. The fee would be assessed to the municipality on a per capita basis assessed according to the most recent decennial census population, not including the institutionalized population. The formula used to implement the fee would charge municipalities annually to replace revenue PSP loses as a result of the cap on the Motor License Fund. **Municipalities receiving full-time PSP coverage would be charged a rate three times more than those receiving part-time PSP coverage.**

By 2029, the bill would generate over \$2 billion. This provision could protect the General Fund and result in **\$10 million more for maintenance of roads and bridges in each of the 203 legislative districts.**

If there are changes to a municipality's patrol status, the fee would reflect those changes. For example, if a municipality decides to implement part-time or full-time local service they would pay a reduced rate for the portion of the year the change occurred.

Calendar Year	Part-Time PSP Fee	Full-Time PSP Fee	Total Fees Charged
2019	\$3.90	\$11.69	\$32,070,000
2020	\$7.79	\$23.38	\$64,140,000
2021	\$11.69	\$35.07	\$96,210,000
2022	\$15.59	\$46.76	\$128,280,000
2023	\$19.48	\$58.45	\$160,350,000
2024	\$23.38	\$70.14	\$192,420,000
2025	\$27.28	\$81.83	\$224,490,000
2026	\$31.18	\$93.55	\$256,650,000
2027	\$35.07	\$105.21	\$288,630,000
2028	\$36.66	\$109.99	\$301,743,000
2029	\$36.66	\$109.99	\$301,743,000

Payment for services would be paid on a quarterly basis with the first payment coming due on July 1, 2020. **If a municipality fails to pay for services, they would become ineligible for Liquid Fuel Tax funding in the amount owed for PSP services.**

A municipality with local part-time patrol services is exempt from the fee if the municipality:

- has a population of 1,000 or less and provides or contracts patrol services for at least 40 hours per week;
- has a population of more than 1,000 but less than 3,500 and provides or contracts for at least 80 hours per week; or
- provides or contracts for patrol services of an additional 40 hours per week over 80 hours per week for each 2,500 in population the municipality has a population of equal to or greater than 3,500.
- Is a distressed municipality that does not eliminate part-time local coverage after enactment.

If a municipality would eliminate their own policing services after the effective date of this legislation, they would then enter into an agreement with the state police for part-time or full-time patrol services. The PSP Commissioner would then establish fee schedules and agreement terms and renewals and may consider factors such as crime rates, population and distressed status.

\$302 Million from the Motor License Fund translates to:



SOURCE: Legislative Budget & Finance Committee Report- PA State Police Cost to Provide Safety on Public Highways