



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1523

PRINTERS NO. 2030

PRIME SPONSOR: Toepel

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0

SUMMARY: House Bill 1523, Printer's Number 2030, amends the Open Space Law to authorize a local government unit, other than a county or county authority, to use open space tax revenue for additional purposes and provide for a method of repeal.

ANALYSIS: This bill amends the Open Space Law (Act 442 of 1967) to further provide for local taxing options by local government units, excluding counties and county authorities. It states that the open space tax revenue may only be used for the permitted activities, which were amended to include the following additional options:

- for expenses necessary to prepare a required resource, recreation or land use plan;
- use the balance of the fund from the open space tax as follows:
 - (i) annually, up to 25% of any accumulated balance of the fund from the levy authorized by referendum, to develop, improve, design, engineer and maintain property acquired for an open space benefit; or
 - (ii) the local government unit may create a maintenance fund into which the local government unit may deposit an amount up to 25% of the annual revenue from the levy authorized by referendum, to develop, improve, design, engineer and maintain property acquired for an open space benefit.

However, it further clarifies that no open space tax revenue in a particular year shall be used to develop, improve, design, engineer and maintain the property acquired unless the annual debt service or acquisition fees will be satisfied. The acquisition fees shall be paid in their entirety at the time of acquisition. Nothing shall prevent a local government unit from using funds set aside for development, improvement, design, engineering and maintenance of real property for acquisition of real property to secure an open space benefit.

The bill also provides for a method of repealing the open space tax by way of local referendum, which shall not be repealed any sooner than five years after the imposition of the tax or when any indebtedness incurred for payment of the property or properties acquired has been repaid, whichever is later.

If the referendum question passes, then the open space tax shall continue to be imposed at the rate described in the question. If the referendum question fails, then the increase in the rate limit of the real estate or the earned income tax shall be repealed effective in the fiscal year following the referendum. However, any referendum related to the open space tax shall not be held any sooner than five years after the approval or disapproval of the referendum question.

This legislation would take effect immediately upon enactment.

FISCAL IMPACT: Given that this legislation addresses the use of open space tax revenues as established by local ordinance, enactment of this bill will have no fiscal impact on Commonwealth funds.

PREPARED BY: Jeffrey Clukey
House Appropriations Committee (R)

DATE: October 1, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.