

## FAQs on Fee for Local Use

### Vehicle Code, Section 1935 Added by Act 89 of 2013

- Q. When can counties pass ordinances imposing the fee for local use?  
A. On or after January 1, 2015, the effective date of Section 1935.
- Q. When can counties notify PennDOT of passage of an ordinance?  
A. On or after January 1, 2015, the effective date of Section 1935.
- Q. What will be the effective date for imposition of the fee?  
A. No less than 90 days from when the county notifies PennDOT of passage of the ordinance.
- Q. Does PennDOT have a sample ordinance for use by counties?  
A. No. The ordinance should, however, include an effective date at least 90 days after PennDOT will receive notice that the ordinance has been passed.
- Q. Where will the counties send the ordinance?  
A. To Commonwealth of Pennsylvania, Department of Transportation, Deputy Secretary for Planning, 400 North Street, Harrisburg, PA 17120-0041.
- Q. Can a county impose a fee of less than \$5?  
A. No. Section 1935 only provides for a fee of \$5 for each nonexempt vehicle registered to an address located in the county.
- Q. Are the owners of trailers subject to the fee?  
A. Yes. Trailers are vehicles under the Vehicle Code.
- Q. Are the owners of recreational vehicles (RVs) subject to the fee?  
A. Yes. RVs are motor homes or camping trailers, both of which are vehicles requiring registration with PennDOT.
- Q. Are the owners of boats subject to the fee?  
A. No. Boats are registered by the Fish and Boat Commission, not PennDOT.
- Q. Are the owners of ATVs subject to the fee?  
A. No. ATVs are registered by the Department of Conservation and Natural Resources, not PennDOT.
- Q. Will the \$5 fee be subject to automatic adjustments under Section 1904(c) of the Vehicle Code?  
A. No. The fee is not being charged by PennDOT under the Vehicle Code, but is rather imposed at the discretion of the county by local ordinance.

- Q. What are nonexempt vehicles?  
A. Those vehicles which are not exempt from registration fees under the Vehicle Code, i.e. those for which a registration fee are due.
- Q. What vehicles are exempt from registration under the Vehicle Code?  
A. Those exempt under Vehicle Code Sections 1901 (“Exemptions of persons, entities and vehicles from fee”), 1302 (“Vehicles exempt from registration”), 1303 (“Vehicles of nonresidents exempt from registration”), 1335 (“Registration plates for manufacturers and dealers”), and 1337.1 (“Fleet owner transporter registration plate”).
- Q. Can a county exempt vehicles other than those exempt under the Vehicle Code?  
A. No.
- Q. Can a county limit the time during which the fee will be assessed?  
A. Yes, but this should be addressed in the ordinance if known at the time of the ordinance. The Department will require at least 90 days’ notice before an assessment is to expire to insure proper billing for registrations in the county.
- Q. What unit of PennDOT will be collecting the fee?  
A. Driver and Vehicle Services (DVS) will be collecting the fee as part of the vehicle registration process.
- Q. What will DVS do with the fees?  
A. DVS will deposit the fees with the Department of Treasury, which will establish the Fee for Local Use Fund.
- Q. What unit of PennDOT will distribute the funds to the counties?  
A. The Bureau of Municipal Services.
- Q. What unit of PennDOT should counties contact with questions?  
A. Counties should contact the Bureau of Municipal Services with any questions. If necessary, the Bureau will interact with Driver and Vehicle Services or the Office of Chief Counsel.
- Q. Where should individual vehicle owners direct questions about the fee or their vehicle registration?  
A. Individual vehicle owners should contact PennDOT’s Driver and Vehicle Services Customer Care Center in state at 1-800-932-4600 or out of state at 1-717-412-5300.
- Q. Will PennDOT be developing guidelines in relation to the fee for local use?  
A. Yes, the Bureau of Municipal Services will be developing guidelines for use of the funds consistent with Section 1935 and the Pennsylvania Constitution, distribution of the funds, and to establish reporting and oversight procedures to insure proper expenditure of the funds.

- Q. Will PennDOT solicit input from county organizations and counties when developing the guidelines?
- A. Yes.
- Q. When will the funds be distributed to counties?
- A. Tentatively on June 1 and December 1.
- Q. How will the funds be distributed to counties?
- A. Tentatively similar to county liquid fuel funds. Liquid fuel funds may not be commingled with other funds. Thus, fee for local use funds will be distributed in addition to liquid fuel funds, not in the same transaction.
- Q. Must the counties maintain fee for local use funds in an account separate from county liquid fuel funds?
- A. Yes.
- Q. How can counties use the funds?
- A. Counties can use the funds for transportation purposes or allocate them to political subdivisions within the county in accordance with Section 9010(c) of the Vehicle Code, subject to constitutional limitations.
- Q. What does Section 9010(c) of the Vehicle Code provide?
- A. Section 9010(c) allows funds to be apportioned to political subdivisions within the county through a formula based on road mileage and population.
- Q. Can counties distribute fee for local use funds to municipalities and other governmental entities through an application process?
- A. Yes, such a process is anticipated to be allowed under the guidelines as long as the municipality or other governmental entity uses the funds for permitted transportation purposes.
- Q. Can counties distribute fee for local use funds to non-profit corporations through an application process?
- A. Yes, such a process is anticipated to be allowed under the guidelines as long as the non-profit corporation uses the funds for permitted transportation purposes, e.g. the creation of highway and bridge planning studies.
- Q. What constitutional limitations apply to use of the funds?
- A. Article 8, Section 11 of the Pennsylvania Constitution restricts the diversion of proceeds from vehicle registration fees. Such funds may only be used for construction, reconstruction, maintenance and repair of and safety on public highways and bridges and costs and expenses incident thereto. Fee for local use funds consequently can constitutionally only be used by counties, or political subdivisions within a county if distributed by a county under Section 9010(c), for construction, reconstruction, maintenance and repair of and safety on public highways and bridges and costs and expenses incident thereto.

- Q. Can the fee be used for transit purposes?  
A. No. Transit is not a highway or bridge purpose within the confines of Article 8, Section 11.
- Q. Are the uses for the fees limited to those in Section 9010(b) of the Vehicle Code addressing allowable uses for county liquid fuel funds?  
A. No. Although those uses would be constitutional uses, the phrase transportation purposes used in Section 1935 reflects that other constitutional uses are also permissible. Further information will be provided in the guidelines.
- Q. Can the fee be used to meet match requirements in Department highway projects?  
A. Yes, the Department expects to allow this use under the guidelines.
- Q. Can the fee be used to meet match requirements in Department multimodal projects?  
A. Yes, the Department expects to allow this use under the guidelines if distributed to a municipality eligible for multimodal funding.
- Q. Can the fee be used for the construction of sound walls?  
A. Yes in some instances. The Department expects to allow this use under the guidelines if included in a highway project as a mitigation measure for environmental purposes and all warrants are met. This would be consistent with the use of Motor License Funds for such projects.
- Q. Can the fee be used for trail projects?  
A. Yes in some instances. The Department expects to allow this use under the guidelines for the portions of trails that are located within highway right of way. This would be consistent with the use of Motor License Funds for such projects.
- Q. Can the fee be used for right of way acquisition?  
A. Yes in some instances. The Department expects to allow this use under the guidelines when for a highway or bridge purpose. This would be consistent with the use of Motor License Funds for right of way acquisition.
- Q. Can the fee be used as repayment for Pennsylvania Infrastructure Bank loans?  
A. Yes.
- Q. Can the fee be used as security for Pennsylvania Infrastructure Bank loans?  
A. Yes.
- Q. Will counties be subject to design requirements in relation to the funds?  
A. Yes, tentatively similar to those applicable to county liquid fuels funds although the provisions of Section 9010(b) do not explicitly apply.
- Q. Will counties be subject to recordkeeping and reporting requirements for the funds?  
A. Yes, tentatively similar to those applicable to county liquid fuels funds although the provisions of Section 9010(b) do not explicitly apply.

- Q. Will counties be subject to audit requirements in relation to the funds?
- A. Yes, tentatively similar to those applicable to county liquid fuels funds although the provisions of Section 9010(b) do not explicitly apply.
- Q. Is there an interim contact person at the Department?
- A. Yes, Deputy Secretary of Transportation James D. Ritzman at (717) 787-3154.