

LIQUID FUELS TAX

A REPORT

of the

COMMITTEE ON DISTRIBUTION
OF STATE FUNDS TO POLITICAL
SUBDIVISIONS OF THE STATE

of the

JOINT STATE GOVERNMENT COMMISSION



To the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF PENNSYLVANIA

JOINT STATE GOVERNMENT
COMMISSION

CAPITOL BUILDING
HARRISBURG, PA.

APRIL 25, 1945

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OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as last amended 1943, P. L. 13)

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FOREWORD

Pursuant to Senate Concurrent Resolution, Serial No. 125 (1943) directing the Joint State Government Commission to make a study of the "distribution of State funds to all of the political subdivisions of the State as well as to the counties with the objective in mind of establishing a permanent and equitable distribution of a portion of the funds of the Commonwealth so that all political subdivisions will receive their fair proportionate share of the funds and thus equitably relieve local real estate of taxation to the greatest extent possible," the Chairman of the Commission on November 17, 1943, appointed a committee to make such a study.

At its organization meeting, December 1, 1943, this committee adopted a program of action to obtain, by questionnaire, personal visits and conferences with local officials, information on the distribution of the liquid fuels tax by the county commissioners of all counties, with the exception of Philadelphia County.

A conference was held with the Honorable John U. Schroyer, Secretary of Highways, and members of his staff, to discuss the problems involved and obtain their assistance wherever necessary, to carry out the purposes as stated in the said resolution. Secretary Schroyer offered the full co-operation of his department and furnished assistance necessary to visit and confer with the local officials. Two field auditors of the Department of Highways were assigned to the Commission and assisted in the study.

Every county in the State, except Philadelphia, was visited, and conferences were held with boards of county commissioners, county controllers, auditors and county treasurers.

For the first time since the establishment of the Liquid Fuels Tax Fund, this study now makes available for a five year period data showing the liquid fuels tax receipts of the counties, expenditures by counties for construction, maintenance, property damage, county aid grants, retirement of road bonds and debt services, and the allocation of the

Liquid Fuels Tax Fund by county commissioners to political units within the county. The information gathered by questionnaires and personal visits is analyzed in the text and is also submitted in detail in the tables at the end of this report.

It was found that a great deal of confusion prevailed as to the legal requirements for the distribution of these funds. It was also learned that while some counties appeared to make equitable allocations to political subdivisions, other counties made no distribution whatsoever, even though county liquid fuel tax receipts were in excess of the expenditures for road purposes, resulting in large surpluses.

The investigation showed that some counties have need for all of the liquid fuels tax moneys received from the Commonwealth, while the needs of other counties are limited. The methods used by various county commissioners for distribution to local units were many and varied, and lacked any systematic and uniform method of allocation, even within the same county. It was also found that there is need for further relief for road expenditures to local subdivisions, such as first class townships, boroughs and cities.

The committee held a number of conferences, discussed this subject in full detail with, and received recommendations from, the representatives of the State Associations of County Commissioners, Township Commissioners, Township Supervisors, Boroughs and of the League of Cities of the Third Class, Keystone Automobile Club, Associated Petroleum Industries, Pennsylvania Motor Federation, Pennsylvania Motor Truck Association and Association of Pennsylvania Constructors.

The data and information obtained in the manner indicated has been assembled and grouped under the class of counties to which they relate. The information was verified either by comparison with the annual reports made to the Secretary of Internal Affairs or by the reports on Forms RLF-66 of liquid fuels tax receipts and expenditures submitted semi-annually to the Department of Revenue, and from such other sources as were considered reliable. However, it should be pointed out that the information was not verified by audit of the records, but the sources used were official and maintained by the proper governmental authorities.

This study was expanded to include consideration of the disposition to be made of the emergency one-cent liquid fuels tax, which expires automatically on May 31, 1945. This course was adopted by the committee in order to consider the desirability of recommending the allocation of a portion of any additional tax to the political subdivisions to aid in meeting some of the local expenditures for road purposes, which it was hoped might be reflected in a reduction of local real estate taxes. (See Part III.)

Two bills incorporating the recommendations of this committee were drafted and introduced in the General Assembly. House Bill No. 541 relates to the disposition of the one-cent additional (emergency) liquid fuels tax and Senate Bill No. 404 amends the Act of May 21, 1931, P. L. 149, to provide for reforms in the disposition of the one-half cent liquid fuels tax returned to the counties. House Bill No. 62, as amended, includes, in the main, the recommendations contained in House Bill No. 541.

It is obvious from the recommendations that the committee gave full and fair consideration to the suggestions and recommendations of all of the interested individuals and organizations, as well as the officials of the many political units of the Commonwealth.

The committee desires to express its appreciation to the Honorable John U. Schroyer, Secretary of Highways, and to Albert W. Rhoads and Harold C. Fry, of the Department of Highways, for their valuable and generous assistance and cooperation in this investigation and study. The committee also desires to take this means of thanking the boards of county commissioners throughout the State who cooperated with the committee.

BAKER ROYER, *Chairman,*
Committee on Study of Distribution
of State Funds to Political
Subdivisions of the State.

EDWIN S. BOWERS	J. K. MCQUIDDY
LAMBERT CADWALADER	JOHN G. SNOWDEN
WRAYBURN B. HALL	JOHN F. STANK
THOMAS LYONS	M. HARVEY TAYLOR

A. ALFRED WASSERMAN, *Counsel.*

SENATE CONCURRENT RESOLUTION

Serial No. 125.

RECOMMENDING THAT THE JOINT STATE GOVERNMENT
COMMISSION MAKE A STUDY OF THE DISTRIBUTION
OF STATE FUNDS TO ALL POLITICAL SUBDIVISIONS
AND COUNTIES OF THE STATE

In the Senate, May 7, 1943.

WHEREAS, The General Assembly of the Commonwealth of Pennsylvania recognizes that there should be some equitable distribution of State funds to the cities, boroughs and townships of the first class for the maintenance of their streets and highways in view of the substantial distributions that have been made and are still being made to the counties and the second class townships of the State; and

WHEREAS, War conditions and the curtailed use of automobiles with the consequent reduction in revenues have rendered it impossible at this session to make any further contributions or to set up any permanent plan of distribution to all the municipal subdivisions which is the objective the General Assembly hopes, ultimately, to attain; and

WHEREAS, One half cent of gasoline tax is now distributed currently to the counties in addition to the substantial appropriation to the second class townships, and

WHEREAS, A few of the counties, recognizing the situation, have made an equitable distribution of a part of the funds received from the State among their municipal subdivisions exclusive of second class townships; now therefore be it

Resolved (if the House of Representatives concur), That it is the sense of the General Assembly that all of the counties of the State should make a fair and equitable distribution of a portion of the funds received by them from the gasoline tax among their political subdivisions to assist said subdivisions in the maintenance of their streets and highways; and be it further

Resolved (if the House of Representatives concur), That the Joint State Government Commission in conjunction with the Department of Highways be, and they hereby are directed to make a study of the distribution of State funds to all of the political subdivisions of the State as well as to the counties with the objective in mind of establishing a permanent and equitable distribution of a portion of the funds of the Commonwealth so that all political subdivisions will receive their fair proportionate share of the funds and thus equitably relieve local real estate of taxation to the greatest extent possible.

RECOMMENDATIONS

1. Liquid fuels tax receipts shall be used only on "county roads and bridges," etc., and interest and sinking fund charges on county road bonds and bridge bonds, when expended by the county commissioners; subject, however, to the provision that in the case of new construction, whether on bridges or roads, approval of the plans must first be received from the Department of Highways.

2. All Liquid Fuels Tax Fund receipts shall be deposited in a separate account and not commingled with any other funds.

3. Upon approval of the Secretary of Highways, a county may anticipate Liquid Fuels Tax Fund receipts in the case of an emergency and be permitted to credit such expenditures against subsequent receipts: Provided, That the county shall not anticipate such receipts for more than two years.

4. Reports on receipts and expenditures of the Liquid Fuels Tax Fund shall be made by the county commissioners to the Department of Highways semi-annually for the periods ending June 30 and December 31, respectively; copies to be sent to the Auditor General and the Department of Revenue.

5. Political units shall be notified by the county commissioners of any unencumbered balance in the county's Special Liquid Fuels Tax Fund on January 1 of each year when it is in excess of the prior year's receipts and that distribution will be made upon proper application on the basis of a prescribed formula.

6. (a) County commissioners may make distribution of the Liquid Fuels Tax Fund to political subdivisions under the new formula prior to the said accumulation, as at present.

(b) County commissioners shall allocate or apportion proportionately among all the political units any moneys distributed thereto on a 50 percent mileage and 50 percent population basis.

7. Allocations of Liquid Fuels Tax Funds by the county commis-

sioners to political subdivisions shall be on forms furnished or prescribed by the Department of Highways, but approval of the expenditure by the political unit must be first obtained from the Department of Highways before any allocation is effective.

8. The semi-annual reports and the expenditures therein stated must be approved by the Department of Highways before any further distribution to the counties is made.

9. Contracts for all highway and bridge work, by the political subdivisions to whom the county commissioners make allocations of the liquid fuels tax, shall be approved by the Department of Highways.

10. The Department of Highways shall annually issue to all county commissioners copies of the laws, pertinent provisions thereof, and regulations relating to the receipts and expenditures of the Liquid Fuels Tax Fund by the county commissioners.

11. No county shall carry over any credit balance from year to year, except when specifically authorized on account of an emergency.

12. (a) The permanent tax of three cents on liquid fuels shall remain as at present.

(b) Eliminate the one cent emergency tax and in lieu thereof provide a one cent permanent tax to be allocated on a mileage basis as follows:

- .3 of a cent per gallon to second class townships
- .3 of a cent per gallon to first class townships, boroughs and cities (all classes)
- .4 of a cent per gallon to Motor License Fund (Highways)

PART I

HISTORY OF THE LIQUID FUELS TAX IN PENNSYLVANIA

The first statute to impose a state gasoline tax was the Act of May 20, 1921, P. L. 1021, which provided for a tax of one cent a gallon on all gasoline sold in the Commonwealth for any purpose except resale. The tax was collected by the retail dealers and returned to the Commonwealth monthly. One-half of the tax collected under the act was credited to the county where it was collected to be used for construction and maintenance of roads and road bond interest.

The one cent state tax was re-enacted by the Act of June 15, 1923, P. L. 834, which imposed a tax of one cent per gallon upon all liquid fuels sold in Pennsylvania except for resale. In addition an emergency state tax of one cent a gallon was imposed by this act for the two years beginning July 1, 1923, and ending June 30, 1925. The tax was collected by the retail dealer from a purchaser for his own use and not for resale and paid to the Commonwealth quarterly when reports were required.

One-half of all tax collected under the act, except the additional emergency state tax, was credited to the county where the tax was collected to be used only for the purpose of the construction, etc., of roads and highways and payment of interest on county road bonds. The balance of the one cent tax and all of the emergency tax were placed in the General Fund. The Act of 1921 was expressly repealed.

By the Act of June 29, 1923, P. L. 969, the term "liquid fuels" as used in the Act of June 15, 1923, P. L. 834, was construed to mean "all liquids ordinarily, practically and commercially usable in internal combustion engines for the generation of power, except kerosene, fuel and gas oil . . ."

The one cent state tax was continued and the emergency one cent tax was continued for another two years, that is, up to and includ-

ing June 30, 1927, by the Act of May 13, 1925, P. L. 671. Instead of the remaining one-half of the permanent tax and all of the emergency tax being placed in the General Fund as theretofore, under this act, it was paid into the Motor License Fund created by Section 12 of the Act of June 30, 1919, P. L. 678, and was "specifically appropriated for the same purposes as said Motor License Fund is appropriated by the provisions of existing or future laws."

The Act of May 14, 1925, P. L. 695, clarified the tax disposition feature of the Act of May 13, 1925, P. L. 671, by providing that the remaining 50% of the permanent tax and all of the emergency tax should be paid into the General Fund prior to June 1, 1925, and thereafter into the Motor License Fund.

The rate of the permanent tax was increased by the Act of April 13, 1927, P. L. 201 from one to two cents per gallon and the emergency tax of one cent was continued for another two years, that is, until June 30, 1929. This act also amended Section 9 of the Act of June 15, 1923, by crediting one-fourth of the permanent two cent tax to the county where collected instead of one-half of the one cent tax as theretofore; thereby continuing the same amount to counties.

The Act of April 14, 1927, P. L. 287, re-enacted the previous permanent tax of 2 cents per gallon and the emergency tax of one cent and required all dealers to secure "Liquid Fuels Permits" before doing business. Provision was made for collection of delinquent liquid fuels tax by employing counsel through the Attorney General's Department.

The Act of April 14, 1927, P. L. 295, excepted kerosene, fuel oil and gas oil from the term "liquid fuels." When the Act of April 14, 1927, P. L. 287, was passed this exception which had existed in prior acts was apparently inadvertently omitted.

Section 727 of the Fiscal Code, the Act of April 9, 1929, P. L. 343, provided for collection of liquid fuels tax by the newly created Department of Revenue instead of the Auditor General.

A new Liquid Fuels Tax Law, enacted May 1, 1929, P. L. 1037, provided for collection of the tax by the Department of Revenue. The rate of the tax was made four cents per gallon until July 1, 1930, and three cents thereafter. Liquid fuels purchased, received or consumed by the United States or any board, department, etc., thereof were ex-

pressly exempted from the tax. A Federal employee, however, was not exempt from the tax bought for his own use.¹

The Act of May 3, 1929, P. L. 1537, excepts kerosene, fuel oil and gas oil from the term "liquid fuels."

The Act of May 21, 1931, P. L. 149, enacted a new liquid fuels tax. A tax of three cents per gallon was imposed upon the distributor who was allowed to add the amount of the tax to the price charged. Previously the tax was collected through each dealer. This method of collection was revolutionary in the history of the state tax. Collection was made easier, more economical and more certain by this act. Collection attorneys were no longer necessary. The Department of Revenue was authorized to use State Highway Patrolmen to aid in enforcing the act. They were made peace officers with police power and authority throughout the Commonwealth to arrest on view, without writ, rule, order, or process any person known to have violated any of the provisions of the act. Under this act, it was provided that 1/2 cent per gallon of the tax collected be returned to the counties.

Under that Act of June 1, 1931, P. L. 298, kerosene, fuel oil and gas oil and naphtha, sold for a purpose other than for use in internal combustion engines for the generation of power, were excepted from the term "liquid fuels."

By the Act of June 1, 1931, P. L. 299, the tax rate was required to be stated separately from price of gas on display signs by retailers.

The Act of May 1, 1933, P. L. 206, gives the Department of Revenue the authority to revoke a liquid fuels permit after finding the holder has failed to comply with the act and a hearing has been had. An appeal may be taken to the Dauphin County Court of Common Pleas from a decision of the department.

All fines collected under the act are required to be paid to the State Treasury and credited to the Motor License Fund by the Act of May 22, 1933, P. L. 837.

The Act of May 22, 1933, P. L. 917, provides for depositing United States Bonds or Commonwealth of Pennsylvania Bonds instead of surety bonds where required from distributors under the act.

By the Act of June 21, 1935, P. L. 412 an emergency tax of one

¹ Tax on Liquid Fuels, Opinion of Atty. Gen., 6 D. & C. 741.

cent per gallon was imposed for the period from the date of the act to May 1, 1937. The act provided for the payment of the entire emergency tax collected prior to June 1, 1936, into the State Treasury to be used only for unemployment relief purposes. All such tax collected after June 1, 1936, was to be credited to the General Fund.

The act does not violate Article III, Section 3 of the Constitution requiring the subject of an act to be clearly expressed in its title.²

The additional emergency tax of one cent per gallon was continued for another two year period ending May 31, 1939, by the Act of April 8, 1937, P. L. 248. This act also contained the provision "The tax imposed by this act though payable by the distributor, shall be borne by the consumer, and when paid by the distributor, shall be deemed to have been so paid for the account of the consumer." This provision apparently had for its purpose the allowance of the tax as a deduction for Federal income tax purposes to the consumer, theretofore disallowed the consumer but allowed the distributor.

The Act of June 5, 1937, P. L. 1703, changed the flat 2% discount allowed distributors for filing of report and payment of tax on date required to a graduated rate ranging from 2% to ½%.

The addition emergency tax of one cent per gallon was continued for another two year period ending May 31, 1941, by the Act of May 4, 1939, P. L. 55.

By the Act of June 21, 1939, P. L. 634, the purposes for which the one half cent portion of the permanent tax returned to the counties might be used were broadened to include the payment of sinking fund charges as well as interest on road and bridge bonds and all such payments theretofore made were validated.

The additional emergency tax of one cent per gallon was continued for another two-year period ending May 31, 1943, by the Act of May 29, 1941, P. L. 60.

The additional emergency tax of one cent per gallon was continued for another two-year period ending May 31, 1945, by the Act of May 26, 1943, P. L. 616.

² Gulf Refining Co. v. School District of Phila., 109 Super. 177.

TABLE 1
SUMMARY HISTORY OF LIQUID FUELS TAX

<i>Date of Act</i>	<i>Principal Change from Prior Act</i>	<i>Rate</i>
May 20, 1921, P. L. 1021	.....	\$.01 per gal.
June 15, 1923, P. L. 834	.... Rate; tax on all liquid fuels	a—.01 per gal.
		b—.01
June 29, 1923, P. L. 969	.... Term "liquid fuels" defined	Same
May 13, 1925, P. L. 671	.... Emergency tax continued until June 30, 1927; Part of tax paid into Motor License Fund.	"
May 14, 1925, P. L. 695	.... Disposition of tax changed on basis of date of June 1, 1925.	"
April 13, 1927, P. L. 201	.... Rate of permanent tax changed; Emergency tax continued until June 30, 1929	a—.02 b—.01
April 14, 1927, P. L. 287	.... "Liquid Fuels Permits" required of dealers	Same
April 14, 1927, P. L. 295	.... Term "Liquid Fuels" re-defined.	"
April 9, 1929, P. L. 343	.... Tax to be collected by Depart- ment of Revenue	"
May 1, 1929, P. L. 1037	.... New Act; Rate	a—.04 until July 1, 1930; .03 thereafter b—.00
May 3, 1929, P. L. 1537	.... Term "Liquid Fuels" re-defined.	"
May 21, 1931, P. L. 149	.... New Act; Rate; Tax imposed on distributors	a—.03 b—.00
June 1, 1931, P. L. 298	.... Term "Liquid Fuels" re-defined.	Same
June 1, 1931, P. L. 299	.... Tax rate required to be shown separately on signs	"
June 1, 1933, P. L. 206	.... Permit may be revoked after hearing	"
May 22, 1933, P. L. 837	.... Fines to be paid into Motor Li- cense Fund	"
May 22, 1933, P. L. 917	.... U. S. and Com. of Pa., bonds may be substituted for sure- ty bonds	"
June 21, 1935, P. L. 412	.... Rate	a—.03 b—.01
April 8, 1937, P. L. 248	.... Emergency tax continued until May 31, 1939	Same
June 5, 1937, P. L. 1703	.... Change in discount allowed dis- tributors	"
May 4, 1939, P. L. 55	.... Emergency tax continued until May 31, 1941	"
June 21, 1939, P. L. 634	.... Purposes for use of tax returned to counties, broadened	"
May 29, 1941, P. L. 60	.... Emergency tax continued until May 31, 1943	"
May 26, 1943, P. L. 616	.... Emergency tax continued until May 31, 1945	"

a—Permanent tax.
b—Emergency tax.

TABLE 2
LIQUID FUELS TAX RECEIPTS
BY FISCAL YEARS, ENDING MAY 31—1928-1944

<i>Year Ended May 31</i>	<i>Permanent to Motor Fund</i>	<i>Permanent Tax Refunded to Counties</i>	<i>Emergency to General Fund</i>	<i>Rate</i>
1944	\$27,741,717	\$5,548,273	\$11,095,165	a & b .03 c .01
1943	28,681,250	5,736,176	11,468,821	Same
1942	41,677,649	8,335,492	16,668,188	"
1941	41,187,932	8,192,062	16,516,139	"
1940	35,636,693	7,125,926	14,245,010	"
1939	35,123,040	7,068,787	13,996,411	"
1938	34,789,345	7,023,450	13,836,148	"
1937	33,511,596	6,698,210	13,136,842	"
1936	29,622,064	5,921,438	9,242,919	"
1935	27,416,128	5,476,723	.....	a & b .03
1934	26,473,182	5,286,971	.....	Same
1933	25,672,712	5,115,010	.....	"
1932	27,402,294	5,451,298	.....	"
1931	27,633,026	5,072,827	.....	"
1930	29,266,409	4,580,189	.....	a & b .04
1929	19,932,787	4,075,820	.....	a & b .02 c .01
1928	18,806,586	3,695,406	.....	Same

a—2½ cent tax on Motor Fund.
b—½ cent tax refunded to counties.
c—1 cent tax in General Fund.

PART II

SUMMARY ANALYSIS OF RECEIPTS AND EXPENDITURES OF THE LIQUID FUELS TAX FUND BY CLASS OF COUNTIES, 1939-1943

The factual data and information on expenditures of the liquid fuels tax by the county commissioners for the five year period, 1939-1943, was compiled and assembled according to county classification and is presented entirely as an objective analysis.*

SECOND CLASS COUNTIES

Allegheny County is the only county within this classification. It maintains a county highway system comprising 573 miles of road, 679 bridges and several tunnels, for which the entire allocation of the liquid fuels tax money is spent as a part of the maintenance costs.

Liquid Fuels Tax Receipts—\$4,989,187.09

The allocation for liquid fuels tax receipts for a period of 5 years, 1939-1943, amounted to \$4,989,187.09.

Expenditures Reported to Department of Revenue—\$5,157,673.29

The semi-annual reports to the Department of Revenue indicate that the expenditures amounted to \$5,157,673.29 for the 5-year period:

Construction	\$44,949.77
Maintenance	5,106,029.57
Property Damage	4,625.70
County Aid Grants	None
Retirement of Bonds and Debt Service	None
Other Purposes	2,068.25

This was \$168,486.20 in excess of the total liquid fuels tax receipts. The reported expenditures do not include any of the county's major improvements.

The accumulated credits for expenditures in excess of receipts as reported to the Department of Revenue and allowed by the Department of the Auditor General as the result of its audit of 1939, total \$7,550,359. This amount was shown on the RLF-66 report submitted

* See detailed information in the tables at the end of this report.

to the Department of Revenue on November 1, 1939 but has since been omitted from the reports.

The Intermingling of Funds

The intermingling of the liquid fuels tax money with the County Road Fund makes it very difficult in a study of this nature to accurately ascertain the true status of the liquid fuels allocations without making a complete audit of the records. The present Road Fund comprises monies from temporary bank loans, some as large as \$2,500,000 a year, and the transfer of money from the General Fund. The report known as RLF-66, submitted to the Department of Revenue semi-annually, includes expenditures from other funds, in addition to the liquid fuels tax money. The temporary loans and transfers of funds are being shown on these reports as receipts.

The revenue receipts from Real Estate, Personal Property, Liquid Fuels and other sources for the 5 years total \$97,063,495.56. No occupation tax was assessed during this period. The liquid fuels tax receipts were placed in the road fund and deposited in the regular county depository. No separate bank account was kept for the Liquid Fuels Tax Fund.

Bonded Indebtedness—\$69,258,000

The outstanding Road, Bridge, and Tunnel Bonds on January 1, 1944 amount to \$69,258,000, and other county bonds and loans total \$17,368,000. The cost of the debt service and the retirement of the Road, Bridge and Tunnel issues are paid from General Funds.

County Aid Grants

The Commissioners of Allegheny County make no direct county aid* grants from the liquid fuels tax to the lower political subdivisions. The county has:

- One second-class city
- Three third-class cities
- Sixty-seven boroughs
- Twenty-three first-class townships
- Twenty-nine second-class townships

* Act of June 12, 1919, P. L. 450, as amended by the Acts of March 10, 1921, P. L. 26, May 8, 1929, P. L. 1651, and July 12, 1935, P. L. 803.

The Commissioners have made a number of major road and bridge improvements within the borders of the political subdivisions from county funds and monies secured from county bond issues. Several large outright payments have been made in the past from the liquid fuels tax receipts to the Pennsylvania Department of Highways in lieu of the county's responsibility for property damages on State roads.

THIRD CLASS COUNTIES

This group is comprised of five counties:

Delaware	Montgomery
Lackawanna	Westmoreland
Luzerne	

These counties have a total of 287 miles of road, and 802 bridges. Each county in the group maintains a road organization.

Liquid Fuels Tax Receipts—\$5,774,914.96

The liquid fuels tax receipts of this group for the five calendar years from 1939 to 1943 inclusive amounted to \$5,774,914.96.

Bonded Indebtedness—\$8,410,000

The bonded indebtedness of these counties for road and bridge purposes as of January 1, 1944 amounted to \$8,410,000 exclusive of Montgomery County which has no indebtedness of this nature.

Other County Loans or Bonds—\$630,000

Lackawanna County has loans or bonds for other county purposes amounting to \$30,000 and Luzerne County obligations total \$600,000.

Expenditures Reported to Department of Revenue—\$9,806,915.52

Expenditures of liquid fuels tax receipts as reported by the five counties to the Department of Revenue for the 5-year reporting period, November 1, 1939 to October 31, 1943 inclusive were as follows:

Construction	\$639,607.63
Maintenance	3,687,999.13
Property Damage	1,245,068.48
County Aid Grants	1,619,368.56
Retirement of Bonds and Debt Service	2,594,871.72
Other Purposes	20,000.00

Grants to Cities—\$40,097.92

Grants to cities were made by Delaware, Lackawanna, and Westmoreland counties amounting to \$40,097.92.

Montgomery County has no cities and Luzerne County, which has four cities, made no grants.

Grants to Boroughs—\$455,865.26

Four of the five counties having 102 of the 135 boroughs in this group made grants amounting to \$455,865.26.

Luzerne County which has 33 boroughs made no grants.

Grants to First Class Townships—\$522,908.97

Delaware and Montgomery Counties which have nineteen of the twenty-four first class townships in this group made grants amounting to \$522,908.97.

Lackawanna County which has one and Luzerne County which has four first class townships, made no grants, while Westmoreland County has no first class townships.

Grants to Second Class Townships—\$600,496.41

Grants to second class townships were made by all counties except Luzerne and amounted to \$600,496.41. Luzerne County reported that it made no cash grants but when requested by the townships, would loan its motorized road equipment, including fuel and operator, without making any charge and without using county aid procedure.

Basis for Aid to Political Subdivisions

Delaware and Luzerne Counties reported they have no definite or fixed policy; Lackawanna and Westmoreland Counties make "outright grants," and Montgomery County follows a share the cost policy in all cases. In all instances when grants were made, it was reported that the funds were expended under the provisions of the County Aid Law.*

Retirement of Bonds and Debt Service—\$2,594,871.72

Four of the five counties expended \$2,594,871.72 for retirement and debt service of road and bridge bonds. Montgomery County has no road or bridge indebtedness.

* Act of June 12, 1919, P. L. 450, as amended by the Acts of March 10, 1921, P. L. 26, May 8, 1929, P. L. 1651, and July 12, 1935, P. L. 803.

Other Purposes—\$20,000.00

This amount was paid by Lackawanna County as an outright grant to the Pennsylvania Department of Highways as part of the construction cost of a traffic circle in the City of Scranton.

Additional Pertinent Facts and Separate Bank Accounts

Montgomery County uses their entire allotment of liquid fuels tax monies for redistribution to the boroughs and townships under the County Aid Law.* The county in most cases does the construction and surface treatment of streets and roads and all the financing is done through its General Fund. Upon completion of the projects, the county bills the subdivisions for 40 percent of the estimated cost. In instances where the cost is in excess of the original estimate, the county pays such excess.

Reports submitted to the Department of Revenue for the 5-year period show expenditures in excess of receipts in each of the five counties and the total of such excess expenditures for the 5-year period amounts to \$4,032,000.56. Three of the five counties do not maintain separate bank accounts for liquid fuels tax funds. It is apparent that none of the counties are accounting for receipts of liquid fuels tax monies only, but are also including monies paid out of General Funds for road and bridge purposes when reporting expenditures to the Department of Revenue on Form RLF-66. As a result, this procedure shows credit balances amounting to \$13,794,805.40 in favor of this group for the period 1929 to October 31, 1943.

FOURTH CLASS COUNTIES

This group is comprised of twelve counties:

Beaver	Lancaster
Berks	Lehigh
Cambria	Northampton
Dauphin	Schuylkill
Erie	Washington
Fayette	York

These counties have a combined total of 68 miles of county roads and a total of 988 bridges to maintain. Beaver County has more county

* Act of June 12, 1919, P. L. 450, as amended by the Acts of March 10, 1921, P. L. 26, May 8, 1929, P. L. 1651, and July 12, 1935, P. L. 803.

road mileage with 54 miles or 79% of the total and is the only one of the group with a county road organization. The remaining mileage is divided between Berks—6, Lehigh—3½, Northampton—1, and Washington—3½, while Dauphin, Erie, Lancaster, Schuylkill and York have none.

The number of bridges in each county varies from 38 to 149, except in Erie County which has none.

Liquid Fuels Tax Receipts—\$9,153,260.18

Liquid fuels tax receipts of this group for the calendar years from 1939 to 1943 inclusive amounted to \$9,153,260.18.

Bonded Indebtedness—\$20,678,849.00

The total bonded indebtedness for roads and bridges as of January 1, 1944 for this group amounted to \$20,678,849, Lancaster County being the only one of the group with no indebtedness of this nature.

Other County Loans or Bonds—\$10,269,776.80

Other outstanding loans or bonds for county purposes amounted to \$10,269,776.80 and were incurred or issued by Beaver, Berks, Cambria, Dauphin, Erie and Fayette. The other six counties have no indebtedness of this nature.

**Expenditures Reported to Department of Revenue
—\$15,239,609.84**

Expenditures of the liquid fuels tax money as reported to the Department of Revenue for the 5-year reporting period, November 1, 1939 to October 31, 1943 were as follows:

Construction	\$617,518.16
Maintenance	1,316,596.45
Property Damage	1,062,653.24
County Aid Grants	145,240.93
Retirement of Bonds and Debt Service	12,074,219.74
Other Purposes	23,381.92

Grants to Cities—None

In this group of twelve counties there are sixteen third class cities; four counties having two cities each, and the eight remaining counties having one each. No county aid grants have been made to any one of the cities during the 5-year period covered by this study.

Grants to Boroughs—\$99,918.74

There are 277 boroughs in this group; only six out of the twelve counties gave aid, amounting to \$99,918.74 during the 5-year period. The counties were:

Dauphin	Lancaster
Erie	Lehigh
Fayette	Schuylkill

Grants to First Class Townships—\$4,400.00

Of the nine first class townships in the group of twelve counties, only one county gave any county aid grants during the 5-year period. This was Erie with one first class township, granting \$4,400.

Grants to Second Class Townships—\$40,922.19

There are three hundred and thirty-eight second class townships in the twelve counties in this group. Of the said twelve counties only five gave aid to second class townships. The grants amounted to \$40,922.19 and were given by the following counties:

Berks	Lancaster
Dauphin	Schuylkill
Erie	

Dauphin County made outright grants to boroughs and second class townships. The eleven other fourth class counties reported that when grants were given they followed the provisions of the County Aid Law.*

Basis for Aid to Political Subdivisions

Only five counties—Berks, Erie, Fayette, Lancaster and Schuylkill—reported a basis for allocation to their political subdivisions, in each instance the basis named was "outright grants." The seven remaining counties reported they had no definite or fixed policy.

Retirement of Bonds and Debt Service—\$12,074,219.14

The sum of \$12,074,219.14 was the total amount paid during the 5-year period for debt service and the retirement of Road and Bridge Bonds. Each one of the twelve counties in this group participated in

* Act of June 12, 1919, P. L. 450, as amended by the Acts of March 10, 1921, P. L. 26, May 8, 1929, P. L. 1651, and July 12, 1935, P. L. 803.

the total amount shown, and with one exception, Lancaster County, the group has a total bonded indebtedness of \$20,678,849 for roads and bridges. Fayette, Lancaster and Lehigh Counties reported they paid only their debt services from the liquid fuels tax money and retirement of bonds was provided from General Funds. Northampton County reported it applied all of its liquid fuels tax receipts to its sinking fund, has found it insufficient to meet the annual requirements and it became necessary to allot additional sums for this purpose from its General Fund. The additional sums from the General Fund, however, were reported to the Department of Revenue on RLF-66 as a disbursement of liquid fuels tax money. Fayette County collects a 4-mills assessment on real estate for debt, while Schuylkill County collects 1½ mills and York County 1 mill. Both Schuylkill and York counties reported they paid the debt service and retirement of bonds from their debt millage and liquid fuels tax monies.

Berks County is credited with payments in the amount of \$2,875,384.59 from its Liquid Fuels Tax Fund for the retirement of Road and Bridge bonds during the 5-year period, which includes the sum of \$1,957,384.59 from the General Fund but reported to the Department of Revenue as liquid fuels tax money.

Other Purposes—\$23,381.92

Berks County Commissioners reported to the Department of Revenue on Form RLF-66 a contribution of \$12,200 made during 1942 to the City of Reading for an airport but reported it as property damages. Berks County also expended \$4,177.06 on a Public Utility Commission order while Cambria and Erie counties shared the remaining amount.

Separate Bank Accounts

Six counties in the group reported they maintained separate bank accounts and six reported their allocations were deposited in their county depositories.

Additional Pertinent Facts

The reports submitted by this group to the Department of Revenue during the 5-year period show eight counties had expenditures in excess of receipts totaling \$6,966,745.54, which indicates credit is being

allowed by the Auditor General's Department for the expenditure of other than liquid fuels tax receipts. Two counties, Fayette and York, show credits on their October 31, 1943 reports to the Department of Revenue, for expenditures in excess of receipts totaling \$1,155,513.08, while the same counties had cash balances, totaling \$35,560.78 and \$54,457.20 respectively. Two other counties in the group, Dauphin and Lancaster had cash surpluses on January 1, 1944, Dauphin County having \$175,938.74 and Lancaster \$77,640.70. Nine of the twelve counties in this group have accumulated credits from 1929 to October 31, 1943 for expenditures in excess of receipts amounting to \$19,455,552.48.

FIFTH CLASS COUNTIES

This group is comprised of five counties:

Blair	Mercer
Bucks	Northumberland
Chester	

Blair, with approximately 53 miles, is the only county in this group having any county roads.

Four of the counties maintain a total of 409 bridges. Mercer County is not included in this bridge data since no records are available concerning the number of bridges maintained by this county.

Liquid Fuels Tax Receipts—\$2,592,517.76

Liquid fuels tax receipts of this group for the calendar years from 1939 to 1943 inclusive amounted to \$2,592,517.76.

Bonded Indebtedness—\$2,165,015.00

The bonded indebtedness of this group as of January 1, 1944 for roads and bridges, with the exception of Bucks County which is free of road debt, amounts to \$2,165,015.

Other County Loans or Bonds—\$2,146,985.00

These counties, with the exception of Chester County, have other outstanding loans or bonds as of the same period totaling \$2,146,985.

Expenditures Reported to Department of Revenue—\$3,199,845.82

Expenditures of liquid fuels tax receipts as reported to the Department of Revenue for the 5-year reporting period, November 1, 1939 to October 31, 1943 inclusive were as follows:

Construction	\$88,667.43
Maintenance	493,305.86
Property Damage	377,846.56
County Aid Grants	562,059.90
Retirement of Bonds and Debt Service	1,634,712.07
Other Purposes	43,254.00

Grants to Cities—\$13,500.00

Chester and Northumberland Counties, with one city each, granted a total of \$13,500. Blair, which has one, and Mercer, which has two cities, made no grants to cities.

Grants to Boroughs—\$156,992.28

Bucks, Chester and Northumberland Counties, which have forty-nine of the seventy-one boroughs in this group, made grants for roads. Blair and Mercer Counties, with the other twenty-two boroughs, made no such grants.

Grants to First Class Townships—\$8,451.02

Northumberland, the only county in the group with a first class township, made grants to the township amounting to \$8,451.02.

Grants to Second Class Townships—\$383,116.60

Four of the five counties having 126 of the 158 townships in this group made grants of \$383,116.60. Mercer County, which has thirty-two townships, made no grants to such units.

Basis for Grants to Political Subdivisions

All grants given by the counties in this group were in accordance with the provisions of the County Aid Law.

Blair County makes outright grants.

Bucks, Chester and Northumberland Counties share the cost of improvements.

Mercer County made no grants.

Retirement of Bonds and Debt Service—\$1,634,712.07

This amount was used to retire bonds issued for road or bridge purposes and debt service in four counties. Bucks County has no road or bridge bonds.

Other Purposes—\$43,254.00

Bucks County expended \$3,000 for purchase of a building for storage of road and bridge equipment.

Chester County officials stated that upon instructions from an auditor of the Auditor General's Department, they withdrew \$40,254 from the Liquid Fuels Account and placed it in the General Funds so as to reimburse the county's General Fund for previous expenditures.

Separate Bank Accounts

Two of the five counties, Blair and Bucks, do not maintain separate bank accounts for Liquid Fuels Tax Funds, but deposit the money in their General Fund without identification.

Additional Pertinent Facts

The total expenditures of this group, as reported to the Department of Revenue, amounted to \$3,199,845.82 and exceeded receipts by \$607,328.06. Mercer County reported expenditures of \$716,459.93 in excess of receipts. Bucks and Chester Counties reported receipts of \$223,526.10 in excess of expenditures. The total amount of expenditures in excess of receipts for the period from 1929 to 1943 inclusive for the five counties, exclusive of Chester which has a cash balance, was \$2,610,310.59.

During the 5-year period Bucks County has reduced its credit balance by approximately \$100,000 indicating a like amount of liquid fuels tax money used to reimburse its General Fund.

Northumberland County makes expenditures for maintenance of bridges from its General Fund but such expenditures are reported on Form RLF-66 as being made from the Liquid Fuels Tax Fund and credit is allowed as expenditures.

SIXTH CLASS COUNTIES

This group is comprised of seventeen counties:

Armstrong	Indiana
Bradford	Jefferson
Butler	Lawrence
Carbon	Lebanon
Clearfield	Lycoming
Columbia	McKean
Crawford	Somerset
Cumberland	Venango
Franklin	

Clearfield, Cumberland and Jefferson Counties, with a total of 16½ miles, are the only counties in this group having any county roads.

Each county in this group has bridges to maintain, the total being 789.

Liquid Fuels Tax Receipts—\$4,886,180.99

Liquid fuels tax receipts of this group for the calendar years from 1939 to 1943 inclusive amounted to \$4,886,180.99.

Bonded Indebtedness, Roads and Bridges—\$9,233,000.00

The bonded indebtedness as of January 1, 1944 for roads and bridges of this group amounts to \$9,233,000. All counties in this group are included in this amount with the exception of Franklin and McKean counties which have no debts of this nature.

Other County Loans or Bonds—\$350,000

Clearfield, Franklin, Indiana and McKean have loans or bonds for other purposes amounting to \$350,000.

Expenditures Reported to Department of Revenue—\$7,131,612.25

Expenditures of liquid fuels tax receipts as reported to the Department of Revenue for the 5-year reporting period, November 1, 1939 to October 31, 1943 inclusive were as follows:

Construction	\$281,656.92
Maintenance	363,472.14
Property Damage	1,124,056.80
County Aid Grants	708,304.14
Other Purposes	237,564.51
Retirement of Bonds and Debt Service	4,416,557.74

Other Purposes—\$237,564.51

Armstrong County contributed \$120,382.01 to the Pennsylvania Department of Highways for improvements to a bridge and its approaches at Kittanning.

Franklin County paid \$75,000 into General Funds for reimbursement of property damages paid prior to 1938. Franklin County also contributed \$856.14 toward defraying expenses to conventions of Township Supervisors.

Bradford County contributed \$928.69 from the Liquid Fuels Tax Fund as its share of a WPA sidewalk project in the Borough of Towanda.

Lebanon County expended \$6,240.75 from the Liquid Fuels Tax Fund for an outright grant to the Pennsylvania Department of Highways.

McKean County contributed \$34,156.92 to the Pennsylvania Department of Highways toward improvements to state highways.

Grants to Cities—\$45,500.00

Lebanon and McKean counties, with two of the ten cities in this group, made grants amounting to \$45,500. Butler, Clearfield, Crawford, Lawrence, Lycoming and Venango counties, with a total of eight cities, made no grants.

Grants to Boroughs—\$189,952.68

Nine of the counties, having 98 of the 210 boroughs in this group, made grants amounting to \$189,952.68. The counties of Armstrong, Bedford, Crawford, Cumberland, Indiana, Jefferson, Somerset and Venango which have a total of 112 boroughs, made no grants.

Grants to First Class Townships—\$5,829.48

Butler and Lebanon Counties, which are the only counties in this group having any first class townships, made grants amounting to \$5,829.40.

Grants to Second Class Townships—\$467,021.98

Thirteen counties having 297 of the 419 second class townships in this group made grants amounting to \$467,021.98.

Armstrong, Bradford, Crawford and Venango counties which have 122 second class townships made no grants.

Basis for Grants to Political Subdivisions

It was reported all grants given by the counties in this group were in accordance with the provisions of the County Aid Law.

Eight counties made outright grants.

Two counties made grants on a mileage basis.

One county used a percentage of tax value.

Two counties share the costs.

Four counties have no basis for making grants.

Retirement of Bonds and Debt Service—\$4,416,557.74

Sixteen of the seventeen counties in this group made payments amounting to \$4,416,557.74 for debt service and retirement of bonds issued for road or bridge purposes.

Armstrong County assesses a millage for retirement of road bonds which it appears is reported to the Department of Revenue as income from the Liquid Fuels Tax Fund. This county reported expenditures in excess of receipts amounting to \$618,307.45 for the 5-year period.

Separate Bank Accounts

Fifteen of the seventeen counties of this group maintain separate bank accounts, but on account of the practice of commingling the liquid fuels tax money with the General Fund, the separate bank accounts are of little value from an accounting standpoint.

Additional Pertinent Facts

Carbon County assesses $3\frac{1}{2}$ mills for retirement of road bonds and also charges the Liquid Fuels Tax Fund for the same purpose. The records indicate a multiple transferring of funds from the Liquid Fuels Tax Fund to the General Fund.

Columbia County Commissioners reported they did not retire their road and bridge bonds from the Liquid Fuels Tax Fund. They have been retiring \$25,000 of these bonds annually, paying the retirement from the General Fund, while having a cash balance of \$117,000 in their liquid fuels tax account. The interest and state tax is paid from the liquid fuels tax account.

Indiana County has an assessment of 7 mills for a Sinking Fund for retirement of road and bridge bonds and also reported \$292,267.83 of the Liquid Fuels Tax Funds was paid into the sinking fund and used for the same purpose.

Jefferson County transferred \$45,600 to the General Fund for reimbursement of prior expenditures. This amount was not reported on Form RLF-66 as an expenditure but the credit balance was reduced by this amount and it was noted on the reports.

Somerset County has a 2-mill assessment for Debt Service and reported \$723,428.36 being used for this service from the Liquid Fuels Tax Fund although it received only \$242,568.37 of liquid fuels tax money for the 5-year period.

Bradford County pays all expenditures that are chargeable to liquid fuels tax from the General Fund, which is reimbursed from the Liquid Fuels Tax Fund at the end of the year.

Clearfield County assesses a millage for debt service, the receipts from which it has been reporting as liquid fuels tax money expenditures, thereby building up a credit that amounted to \$205,000 in 1940. This credit was reduced to \$5,000 in 1943 indicating that \$200,000 was transferred from Liquid Fuels Tax Fund to the General Fund in order that the credit balance might be absorbed.

Cumberland County maintains a record of road and bridge expenditures which it reports to the Department of Revenue as chargeable to the Liquid Fuels Tax Fund but all disbursements are made from the General Fund in which the liquid fuels tax receipts are deposited, but not specifically identified, and no cash balances are shown.

Franklin and Lycoming Counties have been paying mileage from the Liquid Fuels Tax Fund on the county commissioners' automobiles when they were used for the inspection of bridges or viewing property damages.

Lycoming County failed to report the amount it transferred from the Liquid Fuels Tax Fund to the Sinking Fund for the retirement of its road and bridge bonds. Instead, it reported the retirement payments when made from the Sinking Fund. The accounting used made it difficult to obtain all pertinent data.

Disbursements reported by this group to the Department of Reve-

nue for the 5-year period exceeded receipts by \$2,245,431.26. The credit balance of this group as of October 31, 1943 amounts to \$7,809,078.05.

SEVENTH CLASS COUNTIES

This group consists of sixteen counties:

Adams	Mifflin
Bedford	Monroe
Centre	Perry
Clarion	Snyder
Clinton	Susquehanna
Elk	Tioga
Greene	Warren
Huntingdon	Wayne

These counties have a total of six and one-half miles of county road and 452 bridges. Centre, Clinton and Monroe are the only counties with road mileage, while each county in the group except Warren have bridges to maintain.

Liquid Fuels Tax Receipts—\$2,485,810.70

The liquid fuels tax receipts of this group for the 5 calendar years from 1939 to 1943 inclusive amounted to \$2,485,810.70.

Bonded Indebtedness—\$1,798,500.00

The bonded indebtedness of this group for road and bridge purposes as of January 1, 1944 amounted to \$1,798,500 and is shared by twelve of the counties. The four remaining counties of Centre, Clinton, Perry and Wayne have no outstanding road or bridge bonds.

Other County Bonds or Loans—\$1,355,000.00

Only five counties in this group have other outstanding bonds or loans as of January 1, 1944, amounting to \$1,355,000.

Expenditures Reported to Department of Revenue—\$3,774,866.13

Expenditures of liquid fuels tax receipts as reported to the Department of Revenue for the 5-year reporting period, November 1, 1939 to October 31, 1943 inclusive, were as follows:

Construction	\$82,912.07
Maintenance	233,248.28
Property Damage	725,854.86
County Aid Grants	449,633.89
Other Purposes	31,391.15
Retirement of Bonds and Debt Service	2,251,825.88

Grants to Cities—\$7,875.00

Grants in the amount of \$7,875.00 were made by the County Commissioners of Clinton County, to the City of Lock Haven. This is the only city in this group of counties.

Grants to Boroughs—\$158,908.45

There are 142 boroughs in this county group of which all but three counties—Mifflin, Snyder, and Tioga—made grants to 122 political subdivisions, amounting to \$158,908.45 during the 5-year period.

Grants to First Class Townships—None

There are no first class townships in this group of seventh class counties.

Grants to Second Class Townships—\$282,850.44

The 338 second class townships in the 16 counties comprising this group were given assistance by all but two of the counties, namely, Mifflin with ten townships, and Tioga with thirty. The grants made by the fourteen other counties amounted to \$282,850.44 in the 5-year period.

Grants to Political Subdivisions

Of the sixteen counties in this group, Mifflin and Tioga counties were the only two reporting that they had no policy for making grants to political subdivisions, and that they had not made any. The fourteen other counties reported as follows:

- Two—Basis of Mileage
- Eight—Outright grants
- Four—Share the costs

The said procedure applies to all subdivisions except that the grants made to boroughs by Perry County are on the basis of $11\frac{1}{8}$ mills on the assessed valuation.

Other Purposes—\$31,391.15

The amount of \$31,391.15 paid by six of the counties in this group for other purposes was used as follows:

Centre County paid two-fifth of its solicitor's annual salary of \$2,500 from liquid fuels tax money.

Clarion, Greene and Mifflin Counties paid treasurer's commission from the liquid fuels tax receipts.

Clinton County expended \$96.50 without indicating the purpose.

Elk County reimbursed the General Fund in the amount of \$25,000 during this period.

Retirement of Bonds and Debt Service—\$2,251,825.88

The amount of \$2,251,825.88 was paid from the Liquid Fuels Tax Fund during the 5-year period for retirement of road and bridge bonds and for debt service. Of the sixteen counties only twelve provided for the retirement of their road and bridge bonds. The other four counties, Centre, Clinton, Perry and Wayne, had no outstanding road and bridge bonds as of January 1, 1944. Three of the twelve counties retiring bonds during the 5-year period assessed a millage for debt service. They were Clarion with 5½ mills; Elk, with 1 mill; and Monroe, with 1 mill. They reported that the revenue received from the debt millage was commingled with liquid fuels tax money and General Funds. Some of the group reported that the revenue was transferred to their Sinking Funds, while others retired bonds from General Funds and only debt service was paid from the liquid fuels tax receipts. The present methods of accounting for the distribution of liquid fuels tax money in some of the counties make it impossible to verify or obtain the full facts and information.

Separate Bank Accounts

Of the sixteen counties in this group, ten reported they maintain separate bank accounts and six reported their liquid fuels tax receipts were commingled with the General Fund. The chief clerks to the county commissioners of Clinton and Tioga counties reported that no separate records of the receipts of the liquid fuels tax are maintained.

Additional Pertinent Facts

The liquid fuels tax account of Adams County for 1943 included receipt of \$11,957.06 from the Western Maryland Railroad on a Public Utility Commission order.

Centre County has no road or bridge bond indebtedness but the records indicate the commissioners borrowed a total of \$112,000 in 1940 from banks, which was placed in the road fund and used for road damages and reported as such to the Department of Revenue as an expenditure of liquid fuels tax money.

The records of Elk County indicate the county commissioners have reimbursed their General Fund a total of \$46,000 from the Liquid Fuels Tax Fund since 1938 for expenditures in excess of receipts incurred between 1929 and 1934.

Perry County Commissioners deposit all of their liquid fuels tax receipts in the General Fund, make all expenditures from the General Fund, and at the end of the calendar year, the amount of reimbursement is determined and settlement made with the liquid fuels tax account. The balance is then placed in a separate interest-bearing time deposit account in a local bank. The interest earned on the Liquid Fuels Tax Fund is credited to the General Fund. Of the amount in their surplus account, \$25,000 has been invested in war bonds.

The liquid fuels tax receipts of Snyder County are commingled with the General Fund, making it difficult to ascertain the present status of the former. The records indicate that \$18,000 of the Liquid Fuels Tax Fund have been invested in war bonds during 1942 and \$14,000 during 1943.

Wayne County Commissioners, on November 2, 1943, reimbursed the Liquid Fuels Tax Fund of their county in the amount of \$82,000 for what they stated was an erroneous payment from the Liquid Fuels Tax Fund in previous years for retirement of county road and bridge bonds issued in 1929. This county has retired, as of January 1, 1944, all of its bonded indebtedness issued for roads, bridges and other county purposes. At the present time, no liquid fuels tax account is being kept by the commissioner's office.

EIGHTH CLASS COUNTIES

This group is composed of ten counties:

Cameron	Pike
Forest	Potter
Fulton	Sullivan
Juniata	Union
Montour	Wyoming

Cameron and Pike Counties are the only ones in this group having any county roads. They have a total of $18\frac{1}{3}$ miles. All counties with the exception of Potter have bridges to maintain and these amount to 127.

Liquid Fuels Tax Receipts—\$573,805.13

The liquid fuels tax receipts of this group for the five calendar years from 1939 to 1943 inclusive amounted to \$573,805.13.

Included in the above amount was \$2,909.32 received by Wyoming County for interest on money.

Bonded Indebtedness—\$29,000

Potter County, with \$10,000, and Wyoming County, with \$19,000, are the only counties of this group having any outstanding bonds for roads and bridge purposes as of January 1, 1944.

Other County Loans or Bonds—\$56,000

Forest, with \$5,000, and Wyoming, with \$51,000, are the only counties of this group having any outstanding county loans or bonds for other than road or bridge purposes as of January 1, 1944.

Expenditures Reported to Department of Revenue—\$502,970.65

Expenditures of liquid fuels tax receipts as reported by the ten counties to the Department of Revenue for the 5-year reporting period, November 1, 1939 to October 31, 1943 inclusive were as follows:

Construction	\$24,268.46
Maintenance	28,449.72
Property Damage	190,559.60
County Aid Grants	144,284.40
Other Purposes	73,962.22
Retirement of Bonds and Debt Service	41,446.75

Other Purposes

Included under "Other Purposes" was \$5,840.19 paid in 5 years by Cameron, Forest, Sullivan, Union and Wyoming Counties for county treasurers' commissions. Part of this amount has been refunded to the Liquid Fuels Tax Fund by instruction from the Auditor General's Department which had disallowed it, but no allotment payments have been withheld from any county not making such refunds.

Also included under "Other Purposes" was \$67,591.06 which Union County reported as used for retirement of bonds but which was used for repayment of loans from individuals and banks, claimed to have been previously made to settle property damages.

Grants to Boroughs—\$55,451

Grants made by eight of the ten counties in this group, having 25 of the 31 boroughs, amounted to \$55,451. Pike and Union Counties, which have six boroughs, are the only counties in the group not making any grants.

Grants to Second Class Townships—\$88,833.40

All counties, with the exception of Union which has ten of the 119 townships in this group, made grants amounting to \$88,833.40.

Basis for Aid to Political Subdivisions

The following is a list of the basis used by counties in this group to make grants to their political subdivisions:

- Two—Mileage
- Five—Outright Grant
- Two—Share the Cost
- One—None

Retirement of Bonds and Debt Service—\$41,446.25

Potter and Wyoming Counties, which were the only counties of this group having any road bonds, used \$41,446.25 for this purpose.

Separate Bank Accounts

Nine of the ten counties reported they maintain separate bank accounts. One county's receipts are placed in the General Fund, without identification.

Additional Pertinent Facts

Fulton County shows a transfer in the amount of \$11,304.13 from the Liquid Fuels Tax Fund to the General Fund which was not expended for road and bridge purposes, but was used for General Fund purposes.

Juniata County invested \$10,000 of its cash balance in war bonds.

The records of Montour County show expenditures of \$16,002.04 from the Liquid Fuels Tax Fund which should have been made from the General Fund, and were disallowed by the Auditor General's Department.

Pike County places its liquid fuels tax receipts in the General Fund without identification.

Pike and Wyoming Counties are submitting reports of expenditures to the Department of Revenue as of January 1 and July 1, instead of May 1 and November 1, as required by law.

Sullivan County has been transferring funds from the Liquid Fuels Tax Fund to the General Fund for general county purposes and making reimbursement at the end of each year. It purchased government securities amounting to \$15,004.68, which was reported as retirement of bonds and deducted from the cash balance.

Wyoming County bought war bonds amounting to \$60,000, which were reported as retirement of bonds and reduced the cash balance by a like amount.

Eight of the ten counties in this group have reported receipts in excess of expenditures amounting to \$116,564.69 or 20 $\frac{1}{3}$ percent of the total liquid fuels tax receipts of the ten counties.

RECAPITULATION

A recapitulation of the figures covering the five years of this study, 1939 to 1943 inclusive, as contained herein and in the tables at the end of this report, is as follows:

Receipts from Liquid Fuels Tax	\$30,455,676.81
Expenditures	43,773,186.36
	<hr/>
Expenditures in excess of receipts	\$13,317,509.55

The expenditures are as follows:

Construction		1,779,580.44
Maintenance		11,229,101.15
Property Damage		4,730,665.24
Cities	\$106,972.92	
Boroughs	1,115,088.86	
First Class Townships	541,589.47	
Second Class Townships ..	1,863,241.02	
	<hr/>	
County Aid Grants		3,626,892.27
Debt Service		7,511,540.40
Retirement of Bonds		14,531,375.87
Other Purposes		364,030.99
		<hr/>
		\$43,773,186.36

The records indicate that the sum of \$13,317,509.55 from the counties' General Fund or other sources (such as debt millage) was apparently included with Liquid Fuels Tax Fund receipts and reported to the Department of Revenue on the RLF-66 report as expenditures of liquid fuels tax money.

The cash balances in the liquid fuels tax account of forty-three of the sixty-six counties totaled \$2,464,332.17 on January 1, 1944, the smallest balance being \$3,163.71 and the largest \$295,094.05. The remaining twenty-three counties had no cash balances, but were carrying large accumulated credit balances on the RLF-66 reports, while sixteen of the aforementioned forty-three counties had both large cash and credit balances. Under the present method of accounting for the receipts and expenditures of the liquid fuels tax, the records indicate that when credit balances are established, they increase in most instances on each succeeding report of expenditures.

The accumulated totals of expenditures in excess of receipts from 1939 to 1943 inclusive when added to the credits allowed since 1929 by the Auditor General's Department in their audit of 1939, brings

the total credit balances of thirty-nine of the sixty-six counties to the present huge total of \$46,280,451.42, the smallest accumulated balance of one unit being \$23,278.03 and the largest \$7,744,603.75. It was the often-expressed opinion of a number of the county officials interviewed that the credit balance represents money actually owed by the Commonwealth to the respective counties.

The total revenue of the sixty-six counties for the 5 years of the study amounted to \$270,434,932.49 and was derived from:

Real Estate	\$166,058,601.03
Personal Property	35,676,170.04
Liquid Fuels Tax	30,455,676.81
Other Sources	38,244,484.61

The allocations from the liquid fuels tax average eleven percent of the total revenue of the sixty-six counties.

The assessed valuation of the counties for 1943 appears in Table 3 at the end of this report.

The total of the outstanding road and bridge bonds on January 1, 1944 amounted to \$111,608,364 and represents the obligations of forty-nine of the sixty-six counties. In most instances the bonds are non-callable and the interest rate is from 4½ to 5 percent. It was found that practically all of the original issues could be retired by 1954.

The total of the outstanding loans and county bonds issued for other purposes amounted to \$32,175,761.80 on January 1, 1944 and is shared by twenty-four of the sixty-six counties. Twelve counties have no indebtedness.

Nineteen counties of the sixty-six reported they had approximately 1,069 miles of county roads, the smallest mileage being five-tenths (.5) of a mile and the largest 573 miles.

Sixty-one counties reported a total of 4,246 county-owned bridges; one county did not report (claimed the information was not available); and four counties reported having no roads or bridges.

The bridges maintained by the counties were reported located as follows:

In Cities	170
In Boroughs	353
In First Class Townships	336
In Second Class Townships	3,387

The study disclosed it was the desire of all the Boards of County Commissioners that allocations of the one-half cent of liquid fuels tax to counties be continued.

PART III

PROPOSED ALLOCATION FROM THE EMERGENCY LIQUID FUELS TAX TO CITIES, BOROUGHES, TOWNS AND TOWNSHIPS FOR ROAD AND BRIDGE PURPOSES

As the study of the distribution of the one-half cent Liquid Fuels Tax Fund presently allocated to the counties progressed, it became evident to the committee that in addition to counties, the other municipalities—cities, boroughs, towns and townships were entitled to some allocations or grants from the liquid fuels tax for the construction, reconstruction and maintenance of roads and bridges.

By unanimous action at its meeting on October 25, 1944, the committee enlarged its study to include the consideration of the disposition to be made of the emergency one-cent liquid fuels tax, and to determine whether it would be desirable to re-enact the one-cent emergency tax and allocate for highway purposes a portion of the receipts thereof to the cities, boroughs, towns and townships, and the balance to the Motor License Fund. Data was developed by the staff of the Commission and considered by the committee at subsequent meetings. Because of the lack of time, the study was confined to a consideration of the grants which should be allocated equitably to the municipalities. Recommendation number 12, page 12, represents the findings and consensus of opinion of the members of the committee. This recommendation was incorporated in House Bill No. 541 and later included with some changes in the amendments to House Bill No. 62.

In adopting the recommendations, the committee relied upon information and suggestions received from representatives of interested groups at the several meetings held by the committee. It also gave consideration to the need for relieving real estate of its heavy burden of taxation, since funds for local highway construction and maintenance were derived, in the main, from taxes on real estate. The committee

decided to recommend the following allocations from the emergency liquid fuels tax:

- .3 of a cent to second class townships
- .3 of a cent to cities, boroughs, towns and townships of the first class
- .4 of a cent to the Motor License Fund,

to be distributed on a mileage basis.

The committee had before it the following facts:

1. Total mileage of roads and streets:
Second Class Township Roads—approximately 45,300 miles
City, borough, town and first class township streets and roads—approximately 13,400 miles
2. Revenues from the one-cent liquid fuels tax for the last four fiscal years were as follows:
June 1, 1940 to May 31, 1941 \$16,516,139.00
June 1, 1941 to May 31, 1942 16,668,188.00
June 1, 1942 to May 31, 1943 11,468,821.00
June 1, 1943 to May 31, 1944 11,095,165.00
3. If the provisions as provided in House Bill No. 541 and as recommended by the committee had been in effect during the last fiscal year—June 1, 1943 to May 31, 1944, the allocations would have been as follows:
Receipts from one-cent of Liquid Fuels Tax . . . \$11,095,165.00
(a) To Second Class Townships
.3 of a cent would have been 3,328,549.50
or \$73.50 per mile.
(b) To Cities, Boroughs and First Class Townships 3,328,549.50
or \$248.40 per mile.
(c) To the Motor License Fund
.4 of a cent of tax would have been 4,438,066.00
4. Based on the fiscal year June 1, 1941 to May 31, 1942 (The last fiscal year prior to restricted consumption of liquid fuels)
Receipts from one-cent of liquid fuels tax were . . \$16,668,188.00
(a) To Second Class Townships
.3 of a cent of tax would have been 5,000,456.00
or \$110.60 per mile.

- (b) To Cities, Boroughs and First Class Townships
 - .3 of a cent of tax would have been 5,000,456.00
 - or \$373.17 per mile.
- (c) To the Motor License Fund
 - .4 of a cent of tax would have been 6,667,275.00

It was the considered opinion of the committee that upon the termination of the present hostilities more gasoline will be available for civilian use with a resultant increase in revenues from the liquid fuels tax. This would mean that under the provisions of House Bill No. 541, increased funds would be available for highway and bridge purposes for all the municipalities of the Commonwealth, as well as an increase in the Motor License Fund receipts.

The committee suggested that the study should be continued to determine the relative responsibilities and burdens which should in equity be placed on the Commonwealth and political subdivisions with respect to financing the cost of construction, reconstruction and maintenance of highways of the Commonwealth and the political subdivisions. Senate Bill No. 775 was introduced to carry out this suggestion.

TABLE 3—FINANCIAL AND ROAD DATA OF ALL COUNTIES OF THE COMMONWEALTH—1939-1943

County	REVENUE RECEIPTS—INCOME FOR FIVE CALENDAR YEARS—1939-1943					Class of County	ASSESSED VALUATION FOR 1943			COUNTY MILLAGE FOR 1943		ROADS AND BRIDGES—1943		INDEBTEDNESS JANUARY 1, 1944	
	Real Estate Tax	Personal Property Tax	Liquid Fuels Tax	Other Sources	Total		Real Estate	Personal Property	Occupation	Real Estate	Debt Service	Miles of County Roads	Number of County Bridges	Outstanding Road and Bridge Bonds	Other Outstanding Loans or Bonds
Adams	\$417,712.70	\$92,461.76	\$221,100.30	\$57,066.86	\$788,341.62	7	\$15,876,088.00	\$3,495,367.00	\$1,361,267.00	4 1/2	..	..	25	\$116,000.00	..
Allegheny	71,471,567.30	9,722,162.37	4,989,187.09	10,880,578.80	97,063,495.56	2	1,873,347,168.00	425,000,000.00	..	7 3/8	..	573.21	679	69,258,000.00	\$17,368,000.00
Armstrong	542,054.37	107,699.07	244,634.56	125,602.84	1,019,990.84	6	44,315,068.00	5,060,696.00	4,916,020.00	2	3	..	30	255,000.00	..
Beaver	3,919,014.78	239,558.78	500,896.52	823,149.07	5,482,619.15	4	101,484,619.00	10,009,814.00	..	7	..	54.00	103	2,126,500.00	872,000.00
Bedford	466,099.80	58,370.24	175,793.56	45,947.19	746,210.79	7	14,463,396.00	2,649,475.00	1,015,661.00	6	..	..	33	148,000.00	..
Berks	4,481,599.27	1,112,018.03	1,083,682.59	1,486,834.93	8,164,134.82	4	192,581,105.00	51,168,837.00	18,069,660.00	5 3/4	..	6.00	79	1,785,000.00	4,082,000.00
Blair	1,635,571.67	241,067.40	523,023.88	393,504.26	2,793,167.21	5	69,164,961.00	11,071,812.00	..	4 1/2	..	52.87	59	315,015.00	104,985.00
Bradford	520,327.30	152,017.13	223,385.34	155,518.66	1,051,248.43	6	17,472,870.00	18,403,850.00	930,980.00	6	..	..	36	131,000.00	..
Bucks	1,347,571.97	715,168.43	480,880.25	421,239.11	2,964,859.76	5	83,273,402.50	28,555,410.00	..	3 1/2	..	..	134	..	64,000.00
Butler	1,096,317.45	392,646.73	386,065.19	266,130.33	2,141,159.70	6	58,000,000.00	15,000,000.00	3,500,000.00	1	..	..	232	887,000.00	..
Cambria	4,187,104.38	288,193.80	574,775.54	1,027,480.05	6,077,553.77	4	135,507,750.00	10,286,123.00	10,463,250.00	6	..	..	38	970,000.00	1,010,000.00
Cameron	107,961.48	25,932.93	27,209.04	188,222.73	2,209.28	8	2,133,524.00	1,215,774.00	..	10	..	8.35	4	..	..
Carbon	1,280,518.01	79,654.65	194,944.82	163,337.85	1,718,455.33	6	26,292,373.00	4,727,135.00	4,930,590.00	6 1/2	3 1/2	..	23	1,552,000.00	..
Centre	562,017.72	119,928.91	223,479.26	89,328.55	994,754.44	7	15,200,456.00	5,768,634.00	1,256,640.00	6	..	5.00	13	..	120,000.00
Chester	607,508.32	1,211,495.53	732,436.67	402,138.66	2,953,579.18	5	107,216,670.00	53,073,252.00	9,265,980.00	1	..	..	115	300,000.00	..
Clarion	413,127.45	122,542.96	128,375.66	73,042.73	737,088.80	7	8,930,489.00	4,738,458.00	913,570.00	5	5 1/2	..	5	56,000.00	..
Clearfield	1,415,617.73	155,325.39	284,063.72	292,985.66	2,147,992.50	6	14,208,115.00	6,651,558.00	1,966,020.00	6	10	5.00	14	230,000.00	60,000.00
Clinton	467,245.88	83,632.40	121,653.81	44,105.02	716,637.11	7	10,929,176.00	3,741,451.00	911,625.00	9	..	.50	7	..	100,000.00
Columbia	624,147.43	88,967.07	205,412.87	170,843.97	1,089,371.34	6	27,355,410.00	16,278.77	2,158,607.00	4	..	..	71	250,000.00	..
Crawford	951,201.13	378,301.62	296,950.26	323,700.05	1,950,153.06	6	36,521,442.00	16,017,201.58	3,055,275.00	3 1/2	..	..	41	548,000.00	..
Cumberland	641,651.19	202,987.65	326,848.27	194,477.63	1,365,964.74	6	50,187,894.00	10,791,125.00	3,025,165.00	2 1/2	..	10.00	27	431,000.00	..
Dauphin	2,975,069.84	766,832.86	828,323.06	950,174.58	5,520,400.34	4	125,280,653.00	32,819,277.00	7,373,049.00	4 1/2	..	..	71	292,000.00	1,724,000.00
Delaware	5,166,137.12	2,738,598.58	1,169,079.12	1,710,541.92	10,784,356.74	3	293,535,124.00	122,721,178.00	..	3 1/2	..	..	55	4,299,000.00	..
Elk	365,994.97	83,629.14	108,923.56	80,268.05	638,815.72	7	8,393,642.00	3,581,733.00	799,660.00	8 1/2	1	..	1—Inter Co.	110,000.00	..
Erie	3,243,668.31	761,618.16	863,204.85	667,846.38	5,536,337.70	4	124,588,264.00	31,657,350.00	..	5	..	..	..	600,000.00	1,981,776.80
Fayette	2,176,909.72	229,111.17	609,317.84	2,593,387.81	5,608,726.54	4	64,360,725.00	8,652,079.00	5,904,570.00	6 1/2	4	47.00	83	1,100,000.00	600,000.00
Forest	90,025.73	..	19,426.53	13,195.41	122,647.67	8	1,628,549.00	505,322.00	126,125.00	10	..	..	1	..	5,000.00
Franklin	592,518.71	239,214.49	336,411.74	127,680.14	1,295,825.08	6	34,046,000.00	10,144,500.00	..	3 1/2	..	..	40	..	30,000.00
Fulton	84,988.61	7,490.88	48,540.79	153,200.23	80,268.05	8	1,081,922.00	369,167.50	313,725.00	9	..	..	2	..	..
Greene	1,113,467.89	92,813.11	136,414.44	154,468.99	1,497,164.43	7	38,288,755.00	3,432,844.00	1,136,550.00	5	..	..	94	20,000.00	65,000.00
Huntingdon	497,558.20	58,726.64	176,833.82	28,703.09	761,821.75	7	19,409,031.00	3,118,838.00	..	3 1/2	..	..	18	103,000.00	..
Indiana	1,704,112.18	83,929.57	276,203.09	423,417.46	2,487,662.30	6	34,112,629.00	2,690,152.00	4,756,375.00	2	7	..	36	1,590,000.00	100,000.00
Jefferson	350,077.68	101,256.70	159,064.76	100,252.05	710,651.19	8	20,117,086.00	14,985.78	..	2 1/2	..	1.50	72	423,000.00	..
Juniata	151,582.67	22,599.01	73,872.94	10,072.57	258,127.19	8	4,520,567.00	962,598.00	223,240.00	4	..	..	6	..	..
Lackawanna	3,958,372.68	797,122.02	917,187.47	1,128,803.04	6,801,485.21	3	161,200,738.00	34,785,948.00	..	5 1/2	..	20.30	113	1,261,000.00	30,000.00
Lancaster	430,800.12	1,061,146.42	953,433.38	1,325,557.55	3,770,937.47	4	..	44,055,455.00	..	..	..	..	64	..	..
Lawrence	1,091,577.14	325,030.13	365,846.42	533,013.95	2,315,467.64	6	61,700,000.00	12,000,000.00	4,000,000.00	2 1/2	..	..	28	277,000.00	..
Lebanon	632,876.02	251,841.96	285,240.87	217,773.01	1,387,731.86	6	64,442,121.38	11,323,667.71	..	2 1/4	..	..	12	289,000.00	..
Lehigh	4,137,248.22	957,450.87	822,227.57	704,531.05	6,621,457.71	4	167,326,539.00	..	..	4	..	3.50	42	1,651,712.00	..
Luzerne	7,781,482.54	923,625.41	1,263,903.56	1,030,438.42	10,999,449.93	3	270,264,769.00	37,649,184.00	..	5.2	..	113.20	420	746,000.00	600,000.00
Lycoming	1,104,041.33	343,850.47	440,453.12	355,573.95	2,243,918.87	6	31,978,771.00	16,287,762.00	4,515,955.00	5	..	..	15	200,000.00	..
McKean	689,526.94	444,617.85	292,852.77	317,249.56	1,744,247.12	6	34,863,873.00	17,905,230.00	1,795,820.00	4	..	..	4	..	160,000.00
Mercer	1,968,999.99	384,147.00	404,641.62	316,927.03	3,074,715.64	5	53,736,043.00	14,095,639.00	3,151,500.00	5	..	..	..	1,215,000.00	1,538,000.00
Mifflin	371,594.22	..	183,900.90	36,734.92	592,230.04	7	15,200,535.00	3,088,995.00	1,337,470.00	3	..	..	12	130,000.00	..
Monroe	448,342.74	122,876.27	233,949.34	125,929.62	931,097.97	7	16,856,114.00	5,450,684.75	1,428,540.00	4	1	.80	29	204,000.00	..
Montgomery	2,188,523.00	5,019,867.31	1,428,632.82	1,311,328.74	9,948,351.87	3	301,895,410.00	233,459,945.00	..	1	..	81.76	142+8 Inter Co.	..	..
Montour	145,514.80	33,052.44	53,982.38	14,089.97	246,639.59	8	4,558,302.00	1,600,000.00	270,335.00	6	..	..	52	..	..
Northampton	4,054,340.54	812,644.78	672,080.34	1,007,884.91	6,546,950.57	4	116,010,919.00	32,500,000.00	11,520,250.00	7 1/2	..	1.00	145	7,263,000.00	..
Northumberland	1,727,268.77	243,291.33	451,535.34	314,996.48	2,737,091.92	5	39,404,684.00	10,656,822.00	2,698,120.00	8	..	..	101	335,000.00	440,000.00
Perry	393,004.67	25,518.08	109,959.82	21,405.58	549,888.15	7	8,857,402.00	1,036,227.00	1,723,260.00	5	..	..	26	..	..
Philadelphia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Pike	66,040.70	47,584.67	44,277.79	22,309.40	180,212.56	8	10,102,040.00	2,101,032.00	402,250.00	1 1/2	..	10.00	19	..	..
Potter	260,893.91	29,132.92	89,958.59	45,976.15	425,961.57	8	4,505,090.00	1,104,873.00	297,815.10	10	..	..	..	10,000.00	..
Schuylkill	3,543,882.77	354,599.74	792,028.24	1,059,984.00	5,750,494.75	4	86,395,839.00	15,017,319.00	3,993,410.00	6 1/2	1 1/2	..	102	1,053,637.00	..
Snyder	226,472.34	17,303.69	85,744.26	32,454.24	361,974.53	7	6,629,120.00	741,701.00	597,365.00	6	..	..	15	128,500.00	..
Somerset	1,779,344.51	109,105.09	242,568.37	368,581.27	2,499,599.24	6	27,460,000.00	..	3,430,900.00	3	2	..	85	1,450,000.00	..
Sullivan	140,939.34	10,533.44	36,161.17	40,144.29	227,778.24	8	2,744,766.00	510,808.00	264,250.00	10	..	..	7	..	..
Susquehanna	676,821.39	71,937.40	126,418.11	118,985.51	994,162.41	7	15,375,421.00	2,849,743.00	1,206,705.00	6	..	..	58	544,000.00	..
Tioga	556,102.60	..	149,708.54	200,682.32	906,493.46	7	11,309,934.00	14,134.42	1,229,310.00	9	..	..	53	75,000.00	70,000.00
Union	234,577.91	40,804.51	66,288.65	15,880.79	357,551.86	8	7,761,327.00	2,360,588.00	637,000.00	4	..	..	20	..	..
Venango	202,764.78	935,068.35	325,234.82	223,151.90	1,686,219.85	6	32,846,350.00	36,051,371.00	3,067,690.00	1	..	..	23	720,000.00	..
Warren	608,782.35	297,237.73	178,631.22	39,978.19	1,124,629.49	7	19,440,921.00	9,893,405.00	1,324,925.00	4	..	..	..	164,000.00	1,000,000.00
Washington	3,871,071.36	492,738.44	690,267.74	845,727.71	5,899,805.25	4	116,200,000.0								

TABLE 4—RECEIPTS AND DISBURSEMENTS OF LIQUID FUELS TAX BY COUNTY COMMISSIONERS FOR THE YEARS 1939 TO 1943

County	Liquid Fuels Receipts for Five Years	Roads and Bridges		Property Damages Five Years	County Aid Grants to				Debt Service	Retirement of Bonds or Sinking Fund	Other Purposes	Total	Receipts in Excess of Expenditures	Disbursements in Excess of Receipts	Cash Balance End of 1943	Auditor General's Credit Balance in Excess of Receipts—Accumulated 1929-1943
		Construction	Maintenance		Cities	Townships		Boroughs								
						First Class	Second Class									
Adams	\$221,100.30		\$22,753.93	\$92,952.18			\$19,698.58		\$36,999.91			\$217,404.60	\$3,695.70		\$27,291.78	
Allegheny	4,989,187.09	\$44,949.77	5,106,029.57	4,625.70							\$2,068.25	5,157,673.29		\$168,486.20	7,107.97	\$7,550,359.00 ¹
Armstrong	244,634.56	4,000.00	11,649.29	32,037.99							120,382.01	862,942.01		618,307.45		725,160.27
Beaver	500,896.52	84,369.83	51,232.89	24,672.81								560,178.78		59,282.26		819,385.38
Bedford	175,793.56	14,812.04	1,100.00	34,360.02			7,800.00		20,550.00			178,212.06		2,418.50		61,087.68
Berks	1,083,682.59	33,108.22	100,524.35	98,547.55					5,148.80			470,950.00		2,516,357.98		2,964,419.77
Blair	523,023.88	15,750.88	266,465.96	59,919.46					9,840.60			3,600,040.57		82,078.84		536,503.98
Bradford	223,385.34	4,278.15	7,129.07	52,149.18								605,102.72				
Bucks	480,880.25	34,702.36	96,118.38	48,651.01					194,671.18			174,885.09	48,500.25		39,184.75	267,619.21
Butler	386,065.19	14,026.49	44,472.60	296,135.86								403,978.82	76,901.43			816,233.05
Cambria	574,775.54			115,871.75					88,268.96			902,225.91		516,160.72		
Cameron	27,119.04	3,291.15	1,833.70	4,200.40								2,180,125.36	1,605,349.82			2,113,666.49
Carbon	194,944.82		46,182.34	18,123.82					10,725.00			27,197.42		78.38		3,163.71
Centre	223,479.26		19,386.78	164,965.28					2,000.00			180,790.56	14,154.26		19,374.03	2,155,706.85
Chester	732,436.67	10,573.00	46,762.00	87,948.00	\$6,000.00				7,681.16			288,867.31		65,388.05		43,827.55
Clarion	128,375.66		6,846.00	4,711.00					160,761.00			585,812.00	146,624.67		212,142.01	
Clearfield	284,063.72	13,623.17	21,347.63	66,951.87					17,267.00			94,321.27	34,054.39		46,584.76	313,820.78
Clinton	121,653.81	1,181.71	1,007.42	77,729.30					64,715.27			398,819.81		114,756.09		28,129.33
Columbia	205,412.87	36,915.88	9,233.95	35,668.98					9,891.96			110,545.23	11,108.58		16,308.50	
Crawford	296,950.26	52,795.00	28,539.24	24,329.63					4,820.25			153,630.79	51,782.08		116,945.38	
Cumberland	326,848.27	4,367.95	21,115.40	124,597.62								288,505.55	8,444.71		13,697.91	467,609.33
Dauphin	828,323.06		32,375.28	51,999.69					1,840.00			394,168.22		67,319.95		84,310.86
Delaware	1,169,079.12	50,877.96	148,437.42	206,152.48	2,000.00				7,450.00			605,062.47	223,260.59		175,938.74	182,074.38
Elk	108,923.56		474.75	18,855.48					350.00			1,191,103.86		22,024.74		80,436.70
Erie	863,204.85		162,337.52	91,418.34					7,743.00			102,215.73	6,707.83		8,202.98	23,278.03
Fayette	609,317.84	194,283.23	236,489.60	1,500.00					4,400.00			1,503,247.10	640,042.25		2,560,611.84	628,883.45
Forest	19,426.53		2.00	550.00					1,500.00			599,798.97	9,518.87		35,560.78	
Franklin	336,411.74		15,975.95	88,551.35					8,091.70			9,392.26	10,034.27		7,498.87	
Fulton	48,540.79	3,639.50	639.69	7,836.56					77,142.55			272,889.53	63,522.21		169,435.44	
Greene	136,414.44	14,447.25	42,498.95	34,705.79					15,124.70			33,122.15	15,418.64		33,660.10	
Huntingdon	176,833.82	5,408.84	32,323.39	14,550.00					27,308.95	13,200.00		145,927.07	9,512.63		3,513.13	863,734.44
Indiana	276,203.09	10,340.60	11,541.40	6,444.60					14,400.00			171,511.71	5,322.11		43,041.97	
Jefferson	159,064.76		7,090.66	9,931.47					7,105.71			327,700.14		51,497.05		47,683.14
Juniata	73,872.94		3,550.39	45,923.75					5,181.10			159,811.19	746.43		363,977.65	
Lackawanna	917,187.47	233,757.95	232,617.29	124,273.48	12,500.00				4,477.30			55,520.44	18,352.50		28,058.91	
Lancaster	953,433.38	31,524.51	177,106.66	73,012.73					1,000.00			951,941.66	34,754.19		515,824.43	
Lawrence	365,846.42	8,039.71	89,601.98	73,282.35					6,481.39			439,024.04	514,409.34		77,640.70	
Lebanon	285,240.87	6,347.70	442.91	47,715.00	30,500.00				53,383.38			441,030.48	75,184.06		47,357.13	414,192.80
Lehigh	822,227.57	36,303.55	135,434.71	53,142.29					79,849.15			289,086.23	3,845.36		36,262.38	
Luzerne	1,263,903.56	111,614.24	1,236,311.66	270,003.82								1,171,375.51	349,147.94		2,726,491.32	
Lycoming	440,453.12	12,534.92	36,912.51	162,843.44					943,494.96			1,689,788.97	425,885.41		2,860,634.69	
McKean	292,852.77		32,355.60	32,355.60	15,000.00				12,076.16			446,848.45	6,395.33		78,128.43	375,858.79
Mercer	404,641.62		42,304.79	100,773.01					52,784.50			259,259.78	33,592.99		112,979.05	
Mifflin	183,900.90		32,785.87	26,767.45					124,962.76			1,121,101.55	716,459.93		1,712,231.00	
Monroe	233,949.34	4,621.69	21,498.65	55,591.20					379,023.75			137,993.74	45,907.16		49,151.17	
Montgomery	1,428,632.82		1,865,897.96	408,939.19					49,071.01			255,056.74	21,107.40		44,261.71	
Montour	53,982.38	10,883.61	7,231.32	27,508.67					451,787.41			3,201,499.87	1,772,867.05		169,342.83	7,744,603.75
Northampton	672,080.34		4,306.87	4,306.87					889.27			51,043.84	2,938.54		3,859.37	
Northumberland	451,535.34	27,641.19	41,654.73	80,555.08	7,500.00				734,843.76			739,150.63	67,070.29		3,467,126.58	
Perry	109,959.82	1,086.81	2,804.87	17,698.93					159,000.00			483,850.73	32,315.39		93,956.40	
Pike	44,277.79	4,240.53	2,578.40	26,137.18					20,636.36			67,661.42	42,298.40		60,831.75	
Potter	89,958.59			7,147.22					506.71			33,462.82	10,814.97		78,861.98	
Schuylkill	792,928.24	97,971.68	7,385.72	208,190.20					17,843.82			72,110.42	17,848.17		19,289.18	
Snyder	85,744.26	600.00	3,795.10	43,880.78					8,451.02			658,821.16	133,207.08		295,094.05	
Somerset	242,568.37		8,493.33	47,853.64					20,636.36			79,486.93	6,257.33		9,443.33	33,366.89
Sullivan	36,161.17		2,933.39	7,169.99					1,500.00			780,275.33	537,706.96		1,602,977.82	
Susquehanna	126,418.11	16,219.21	53,469.29	28,231.49					500.00			21,184.16	14,977.01		23,378.88	
Tioga	149,708.54		15,529.21	38,432.12					8,366.36			412,427.20	286,009.09		808,268.66	
Union	66,288.65	2,213.67	9,324.58	31,049.95					4,033.80			121,314.33	28,394.21		61,823.68	
Yenango	325,234.82	114,387.35	3,743.88	5,084.40					17,353.00			111,940.48	45,651.83		10,686.32	93,228.89
Warren	178,631.22			16,204.49					4,091.06			798,743.18	473,508.36		803,050.63	
Washington	690,267.74	131,823.54	528,217.82	153,131.99					190,527.55			181,867.69	3,236.47		15,116.58	105,230.94
Wayne	124,924.10	25,298.88	3,888.62	38,445.96					58,463.20			2,404,974.73	1,714,706.99		3,648,338.02	
Westmoreland	996,111.99	243,357.48	204,734.80	644,638.70	25,597.92				4,050.00			169,745.96	44,821.86		58,270.89	228,090.61
Wyoming	114,177.25		356.25	33,035.88					17,245.48			2,772,581.16	1,776,469.17		2,491,668.15	
York	763,022.51	8,133.60	47,829.42	26,021.50					17,717.10			87,996.66	26,180.59		84,905.10	
	\$30,455,676.81	\$1,779,580.44	\$11,229,101.15	\$4,730,665.24	\$106,972.92	\$1,115,088.86	\$541,589.47	\$1,863,241.02	\$7,511,540.40	\$14,531,375.87	\$364,030.99	\$43,773,186.36	\$1,624,228.88	\$14,941,738.43	\$2,464,332.17	\$46,280,451.42

¹ 1939—last reported.</

TABLE 5—MISCELLANEOUS INFORMATION RELATIVE TO LIQUID FUELS TAX STUDY—1939-1943

County	Basis for County Aid	Post-War Program	Separate Bank Account Maintained	Recommendations for an Equitable Allocation to Other County Units	Political Subdivisions			
					Third Class Cities	Boroughs	Townships 1st Class	Townships 2nd Class
Adams	Mileage	None	Yes	Yes—see report	4 ¹	11	..	21
Allegheny	None	Not completed	No—General Fund	None	..	68	23	29
Armstrong	None	None	No	No allocation while bond debt is being paid	..	17	..	28
Beaver	None	Yes—estimated \$100,000	Yes	Yes	1	26	3	23
Bedford	Outright grant	None	Yes	Yes—see letter	..	13	..	25
Berks	Outright grant	Yes	No	No change—see letter	1	30	..	44
Blair	Outright grant	None	No	Yes—see letter	1	8	..	15
Bradford	None	Yes—estimated \$46,000	Yes—expenditures made from General Fund	None	..	14	..	38
Bucks	Share the cost	Tentative plans	No—put in General Fund	No change	..	22	..	31
Butler	Outright grant	None	Yes—later placed in General Fund	Yes—see letter	1	22	1	32
Cambria	None	None	No—put in General Fund	No change—opposed to allocations—see letter	1	32	1	29
Cameron	Sharing the cost	None	Yes	No change	..	2	..	5
Carbon	Outright grant	None	Yes	No change	..	12	..	12
Centre	Outright grant	None	Yes	Yes—see report—prorate to assessed valuation	..	11	..	25
Chester	Share the cost	Yes—\$300,00 for roads and bridges	Yes	No change	1	15	..	57
Clarion	Share the cost	None	Yes	None—County has its own workable plan	..	13	..	22
Clearfield	Mileage and percent of cost	None	Yes	None	1	19	..	30
Clinton	1/4 cost of project	None	No	None—do not approve of allocations	1	7	..	21
Columbia	1% of tax valuation	None	Yes	None	..	8 ³	..	24
Crawford	None	Yes—estimated \$100,000	Yes	Yes—suggest additional funds be granted	2	14	..	35
Cumberland	Basis of mileage	None	No	None—satisfied with present form	..	12	..	22
Dauphin	None	None	Yes	None—board couldn't agree	1	16	1	22
Delaware	None	Yes—estimated \$537,000	Yes	No change	1	25	11	10
Elk	Outright grant	None	Yes	None	..	3	..	10
Erie	Outright grant	Yes—plan attached to report	No—with General Fund	Yes—the Erie plan is suggested	2	16	1	21
Fayette	Outright grant	None	No—Liquid Fuels and Road Fund the same	No change	2	14	..	24
Forest	Mileage	None	Yes	No change	..	1	..	8
Franklin	Outright grant	None	Yes	None	..	6	..	15
Fulton	Outright grant	None	Yes	No change	..	1	..	11
Greene	Share the cost	None	No—in General Fund	No change	..	7	..	20
Huntingdon	Outright grant	Yes—estimated \$10,000	No	None	..	18	..	30
Indiana	Outright grant	Yes	Yes	No change	..	14	..	24
Jefferson	Outright grant	None	Yes	No change	..	11	..	23
Juniata	Mileage	None	Yes	Yes—see report	..	4	..	13
Lackawanna	Outright grant	None	No	No change	2 ²	17	1	21
Lancaster	Outright grant	None	Yes	No change	1	18	..	41
Lawrence	Outright grant	None	Yes	No change	1	8	..	17
Lebanon	Share the cost	None	Yes	No change	1	8	2	16
Lehigh	None—see report	Not completed	No—put in General Fund	Yes—see report	1	8	1	14
Luzerne	None	Yes—estimated \$1,000,000	No—put in General Fund	None	4	33	4	32
Lycoming	Share the cost	Yes—estimated \$50,000	Yes	No change	1	9	..	42
McKean	Outright grant	None	Yes	None	1	6	..	15
Mercer	None	None	Yes	No change	2	14	..	32
Mifflin	None	None	Yes	None	..	5	..	10
Monroe	Outright grant	None	No—put in General Fund	No change	..	4	..	16
Montgomery	Share the cost	Yes—highway construction	Yes	No change	..	24	8	30
Montour	Share the cost	None	Yes	No change	..	2	..	9
Northampton	None	None	Yes	No change	2	19	..	17
Northumberland	Share the cost	Yes—replacement of bridges	Yes	Yes—on basis of population	1	12	1	23
Perry	Boros—1 1/8 mills; Twps.—mileage	Yes	Yes	No change	..	9	..	21
Pike	Outright grant	None	No—put in General Fund	No change	..	2	..	11
Potter	Outright grant and share the cost	None	Yes	No change	..	6	..	25
Schuylkill	Outright grant	In process of being prepared	Yes	Yes—see report	1	30	..	37
Snyder	Outright grant	None	Yes	No change	..	5	..	15
Somerset	Outright grant	None	Yes	No change	..	23	..	25
Sullivan	Outright grant	None	Yes	No change	..	4	..	9
Susquehanna	Outright grant	None	No—put in General Fund	No change	..	13	..	27
Tioga	None	None	No—put in General Fund	No change	..	10	..	30
Union	None	None	Yes	No change	..	4	..	10
Venango	None	None	Yes	No change	2	7	..	21
Warren	Outright grant	None	Yes	No change	..	7	..	23
Washington	None	Yes	No	Yes—see letter	2	32	1	32
Wayne	Share the cost	Yes—estimated \$300,000	Yes	No change	..	6	..	22
Westmoreland	Outright grant	Yes	No	Yes—see letter	5	36	..	23
Wyoming	Outright grant and share the cost	Yes	Yes	Yes—see letter	..	5	..	18
York	None	None	Yes	None	1	36	1	34
					48	934	60	1,517 ⁴

¹ Includes Class 2 City of Pittsburgh.

² Includes Class 2-A City of Scranton.

³ Includes incorporated town of Bloomsburg.

⁴ Includes two road districts.