

## FOR MORE INFORMATION

For more information about the Liquid Fuels Tax Act or to get a free copy of PennDOT Publication #9, townships should contact PennDOT's Bureau of Municipal Services, P.O. Box 8211, Harrisburg, PA 17105-8211, telephone (717) 787-2183, Web site [www.dot.state.pa.us](http://www.dot.state.pa.us).

For clarification of your township's Liquid Fuels Fund expenditures, contact your district Municipal Services representative:

**DISTRICT 1:** (814) 678-7142

**DISTRICT 2:** (814) 765-0408

**DISTRICT 3:** (570) 368-4239

**DISTRICT 4:** (570) 963-4052

**DISTRICT 5:** (610) 871-4151

**DISTRICT 6:** (610) 205-6541

**DISTRICT 8:** (717) 787-4381

**DISTRICT 9:** (814) 696-7221

**DISTRICT 10:** (724) 357-2846

**DISTRICT 11:** (412) 429-4813

**DISTRICT 12:** (724) 439-7270

## THE DO'S AND DON'TS OF

# LIQUID FUELS FUNDS

## HOW TO SPEND LIQUID FUELS FUND PAYMENTS PROPERLY

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ON APRIL 1 OF EACH YEAR, townships receive their yearly Liquid Fuels Tax Fund allocation from the state in time to start their spring and summer road maintenance and construction projects.

Townships should make sure they qualify for and spend liquid fuels funds properly or risk repaying the state for misused liquid fuels funds out of the township's general fund.

The following information should help to make sure that townships spend these funds properly.

### ALLOCATION FORMULA

Liquid Fuels Fund allocations to municipalities other than counties consist of the following:

- 20 percent of 11½ cents of the state's liquid fuels tax receipts;
- 12 percent of 153.5 mills of the state's oil franchise tax; and
- \$30 million of the \$500 million allocated for roads and bridges under Act 44 of 2007.

Townships' total share of state road-related funding is equal to 12.88 percent of the state's Liquid Fuels Fund and new alternative funding from Act 44.

Liquid Fuels Fund payments to individual townships are distributed based on the following formula:

- 50 percent on mileage, and
- 50 percent on population using the latest decennial census figures.



### PENNSYLVANIA STATE ASSOCIATION OF TOWNSHIP SUPERVISORS

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## PERMISSIBLE

Townships may use liquid fuels funds for the following:

- Maintenance, repair, construction or reconstruction of public roads, streets, alleys, courts, and ways, including bridges, culverts and drainage structures, for which townships are legally responsible.
  - Road materials for the maintenance, repair, construction, or reconstruction of public roads, streets, alleys, courts, and ways in accordance with PennDOT Publications 408 and 447.
- Payment of approved loans from the Pennsylvania Infrastructure Bank, including financing expenses.
  - Purchase, maintenance, and repair of traffic signs and signal devices.
  - Payment of road employees' wages for working on the township's roads, structures, and road equipment.
  - Construction of approved salt storage facilities used only to store salt.
  - Purchase of safety equipment and protective clothing.
- Maintenance, repair, construction, or reconstruction of ADA curb ramps or curb cuts from streets for access by individuals with disabilities.
  - Purchase of road machinery and equipment. No more than 20 percent of a township's total annual allocation may be used for the purchase of road equipment. This 20 percent may be held over for equipment purchases in the future but must be reported as part of the maintenance fund balance on the Actual Use Report of State Funds (MS-965).
  - Repair of all road equipment used in the township's road repair and maintenance program, whether purchased with liquid fuels funds or not.
  - Purchase of computer hardware, software, and related training, up to \$1,000 a year.
  - Purchase of materials and equipment from state contracts, councils of government, or other purchasing consortia.
- On form MS-965, townships must provide PENNDOT's Bureau of Municipal Services with the following information:
  - how liquid fuels funds were spent during the preceding year;
  - expenditures the township has planned for the current year; and
  - the amount of general township fund money to be used in the current year for road maintenance and construction.

## NON-PERMISSIBLE

Townships may not use their liquid fuels funds for any of the following:

- Purchases made in violation of the Township Code.
  - Purchases of rights of way for new roads or streets.
  - Work on roads, alleys, courts, and ways not on the township's approved inventory.
  - Construction projects done without prior PennDOT district office approval.
- Construction, maintenance, or repair of a general-purpose, administration, or maintenance building.
  - Heating oil and other building utilities.
  - Work on sanitary sewers, water lines, parks, playgrounds, municipal buildings, police or fire departments, charitable or civic projects, or garbage or trash pickup.
  - Street lighting that is separately taxed or assessed.
  - Gasoline in private vehicles or vehicles of other departments.
  - Insurance — property, liability, casualty, or fiduciary.
  - Undocumented payrolls or payrolls that do not clearly identify the nature and location of work.
    - Meeting pay.
    - Retainers for engineers, attorneys, etc.
    - Apparel, except when required by an employment agreement.
    - Administrative expenses such as office supplies, furniture, and telephones.
    - Retroactive expenditures or repayment of other funds for prior-period expenditures.
    - Road-related training.

This list, which is only a guideline, is not meant to be all-inclusive. PennDOT's Publication #9, "Policies and Procedures for the Administration of the Liquid Fuels Tax Act 655," provides more information on spending liquid fuels funds properly.

## QUALIFYING NEW ROADS

Townships can increase the liquid fuels funds they receive from PennDOT when township road mileage increases, but the roadway additions must first meet several eligibility requirements before they can be included in the program.

To qualify new road mileage for additional Liquid Fuels Fund credit, townships must first notify their PennDOT district office of the increase. PennDOT will then review the request, and a Municipal Services representative will verify that the road addition qualifies for liquid fuels funding and complete the appropriate PennDOT forms.

PennDOT uses the following criteria to qualify a road for funding. The road:

- must have the capacity to be traveled safely at 15 mph;
- must have a minimum 33-foot right of way and a 16-foot cartway width. (the cartway is the traveled portion of the roadway, not including the shoulder);
- must have a minimum length of 250 feet;
- must be connected to an existing liquid fuels road or state highway; and
- must be a type-10 road, unimproved road, prepared-earth road, type-20 road, hard-surface road, prepared-earth road with a stabilized base, or type-30 road constructed with prepared earth and a stabilized base with a bituminous or concrete surface.

In addition, dead-end roads must meet the following turnaround/cul-de-sac requirements:

- All recorded subdivisions/plans of lots constructed after January 1, 1980, must have a

minimum 40-foot radius turnaround/cul-de-sac.

• All recorded subdivisions/plans of lots constructed before January 1, 1980, may be processed for liquid fuels funds without a minimum 40-foot turnaround, but PennDOT would prefer townships to make an attempt to acquire permanent or temporary turnaround space to enhance safety.

• Exceptions will also be considered if:

- 1) township officials verify by court records or approved subdivision plans that the road was in use before 1980 and the township was unable to acquire the necessary space for a turnaround; or
- 2) the township submits a letter to PennDOT accepting responsibility for the lack of a turnaround.

Before road mileage may be added to the liquid fuels system, townships must submit two copies of the following documents to PennDOT:

- 1) Deed of dedication of roads.
- 2) Plot plan or a survey showing the exact location of the road or street.
- 3) Ordinance or resolution enacted by the board of supervisors accepting the road or street. This document must contain the name of the road or street, beginning and ending points, length to the nearest one-hundredth mile or linear foot, and right of way and cartway widths.

The ordinance or resolution and the plot plan or survey must be filed in county court, and proof of filing must also be given to PennDOT. The prothonotary's or clerk of court's seal and the road docket book page number must be shown on the ordinance or resolution.

