

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1153

Session of
1999

INTRODUCED BY BARD, ROSS, COY, HERMAN AND LESCOVITZ,
APRIL 7, 1999

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 11, 1999

AN ACT

1 Amending the act of June 23, 1931 (P.L.932, No.317), entitled
2 "An act relating to cities of the third class; and amending,
3 revising, and consolidating the law relating thereto,"
4 further providing for annual budget, for filing, for uniform
5 forms and for annual reports.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 1809 of the act of June 23, 1931
9 (P.L.932, No.317), known as The Third Class City Code, reenacted
10 and amended June 28, 1951 (P.L.662, No.164) and amended October
11 5, 1967 (P.L.327, No.143), is amended to read:

12 Section 1809. Annual Budget; Presentation to Council;
13 Notice; Revision; Adoption.--The director of accounts and
14 finance shall, on behalf of council, at the last stated meeting
15 in November in each year present to council for first reading a
16 proposed budget ordinance for all funds showing the estimated
17 receipts, expenditures, and liabilities of every kind, for the
18 ensuing year, with the balance of unexpended appropriations, and

1 all other information of value as a basis for fixing the levy
2 and tax rate for the next fiscal year. [Such proposed budget
3 ordinance shall be prepared on forms furnished as provided in
4 section one thousand eight hundred twelve of this act.] Council
5 shall, upon passing the said proposed budget ordinance on first
6 reading, fix a date for adoption thereof, which shall be not
7 later than the thirty-first day of December of such year.

8 The several departments of the city government shall, before
9 the proposed budget ordinance is presented, as above provided,
10 furnish to the council an estimate of the probable receipts and
11 expenditures and of the amount required by each of said
12 departments for the public service during the ensuing fiscal
13 year as a basis for making the annual appropriations thereto.

14 When the proposed budget ordinance is submitted to council
15 and has passed first reading, the city clerk shall forthwith
16 make the same available for public inspection at his office in
17 the city hall, and shall thereupon publish a notice to that
18 effect once in at least one newspaper in accordance with the
19 provisions of section one hundred nine of this act. Such notice
20 shall state the date fixed by council for adoption of the
21 proposed budget ordinance, and such notice shall be published at
22 least twenty days prior to the time fixed by council for
23 adoption of the proposed budget ordinance. The proposed budget
24 ordinance shall be available for public inspection at the city
25 clerk's office for at least ten days after the aforesaid
26 newspaper notice thereof is published.

27 The council shall, after making such changes and
28 modifications therein as appear proper, adopt the budget and any
29 appropriation measures required to put it into effect upon the
30 date fixed for adoption thereof: Provided, That said budget

1 shall reflect as nearly as possible the estimated revenues and
2 expenditures of the city for the year for which the budget is
3 prepared. That should it appear upon any revision of the budget
4 that the estimated expenditures in the adopted budget would be
5 increased more than ten per cent in the aggregate or more than
6 twenty-five per cent in any individual item over the proposed
7 budget, such budget shall not be adopted with any such increases
8 therein unless the same be again made available for public
9 inspection and for protest of such increases for a period of at
10 least ten days after notice to that effect is published as
11 hereinbefore provided.

12 [Within thirty days after the adoption of a budget ordinance,
13 the director of accounts and finance shall file a copy of the
14 same in the office of the Department of Community Affairs.]

15 Section 2. Section 1810 of the act, amended October 5, 1967
16 (P.L.327, No.143) and December 14, 1967 (P.L.828, No.355), is
17 amended to read:

18 Section 1810. Amending Budget; Notice.--During the month of
19 January next following any municipal election, the council of
20 any city may amend the budget and the levy and tax rate to
21 conform with its amended budget ordinance. A period of ten days'
22 public inspection at the office of the city clerk of the
23 proposed amended budget ordinance after notice by the city clerk
24 to that effect is published once in a newspaper as provided in
25 section one hundred nine of this act shall intervene between
26 council's first reading of the proposed amended budget ordinance
27 and the adoption thereof. Any amended budget ordinance must be
28 adopted by council on or before the fifteenth day of February.

29 No such proposed amended budget ordinance shall after first
30 reading be revised upward in excess of ten percent in the

1 aggregate thereof or as to an individual item in excess of
2 twenty-five per cent of the amount of such individual item in
3 the proposed amended budget ordinance.

4 [Within fifteen days after the adoption of an amended budget
5 ordinance, the director of accounts and finance shall file a
6 copy thereof in the office of the Department of Community
7 Affairs.]

8 Section 3. Section 1812 of the act, amended December 18,
9 1996 (P.L.1063, No.157), is amended to read:

10 Section 1812. Annual Reports; Publication; Filing Report
11 with Department of Community [Affairs] and Economic Development;
12 Penalty.--(a) The director of accounts and finance shall make a
13 report, verified by oath or affirmation, to the council at a
14 stated meeting in [March] April in each year of the public
15 accounts of the city and of the trusts in its care for the
16 preceding fiscal year, exhibiting all of the expenditures
17 thereof, respectively, and the sources from which the revenue
18 and funds are derived and in what measures the same have been
19 disbursed. Each account shall be accompanied by a statement in
20 detail of the several appropriations made by council, the amount
21 drawn and encumbered on each appropriation, and the unencumbered
22 balance outstanding to the debit or credit of such appropriation
23 at the close of the fiscal year.

24 (b) Such report, accompanied by a concise financial
25 statement setting forth the balance in the treasury at the
26 beginning of the fiscal year, all revenues received during the
27 fiscal year, by major classifications, all expenditures made
28 during the fiscal year, by major functions, and the current
29 resources and liabilities of the city at the end of the fiscal
30 year, the gross liability and the net debt of the city, the

1 amount of the assessed valuation of the taxable property in the
2 city, the assets of the city and the character and value
3 thereof, the date of the last maturity of the respective forms
4 of funded debt, and the assets in each sinking fund, shall be
5 published once in not more than two newspapers printed or
6 circulated in such city, as required by section one hundred and
7 nine of this act. Before such report or statement is made or
8 published, the same shall be approved by the controller, who may
9 approve it subject to such exceptions as he may have thereto:
10 Provided, Council may cause such statement to be printed in
11 pamphlet form in addition to the publications made as aforesaid.

12 (c) The director of accounts and finance shall also,
13 annually, make report of the financial condition of the city in
14 the form above provided to the Department of Community [Affairs]
15 and Economic Development, within [sixty] ninety days after the
16 close of the fiscal year, signed and duly verified by the oath
17 of the director and approved by the city controller, as above
18 provided. Any director of accounts and finance refusing or
19 wilfully neglecting to file such report shall, upon conviction
20 thereof, in a summary proceeding brought at the instance of the
21 Department of Community [Affairs] AND ECONOMIC DEVELOPMENT, be <—
22 sentenced to pay a fine of five dollars for each day's delay
23 beyond said [sixty] NINETY days, and costs. All fines recovered <—
24 shall be for the use of the Commonwealth.

25 (d) The report to the Department of Community [Affairs] and
26 Economic Development shall be presented in a form as provided
27 for in section one thousand eight hundred and thirteen of this
28 act.

29 Section 4. Section 1813 of the act, amended October 5, 1967
30 (P.L.327, No.143), is amended to read:

1 Section 1813. Committee to Prepare Uniform Forms.--The
2 uniform [budget and] financial report forms, specified in the
3 foregoing sections of this act, shall be prepared by a committee
4 consisting of four representatives of the Pennsylvania League of
5 Cities AND MUNICIPALITIES and the Secretary of Community
6 [Affairs] and Economic Development, or his agent who shall be a
7 person trained in the field of municipal finance.

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8 Such representatives shall be appointed by the president of
9 said organization within sixty days after the effective date of
10 this act. Such representatives shall be chosen from among
11 finance officers of third class cities or other officers of such
12 cities who have knowledge of their fiscal procedures. As far as
13 possible, they shall be chosen to represent cities in the
14 various population groups within the range of cities of the
15 third class. The president of the Pennsylvania League of Cities
16 AND MUNICIPALITIES shall supply to the Secretary of Community
17 [Affairs] and Economic Development the names and addresses of
18 such representatives immediately upon their appointment.

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19 Said representatives shall serve without compensation, but
20 they shall be reimbursed by the Commonwealth for all necessary
21 expenses incurred in attending meetings of the committee. The
22 committee shall meet at the call of the Secretary of Community
23 [Affairs] and Economic Development, or his agent, who shall
24 serve as chairman of the committee.

25 [In preparing the uniform forms for both budgets and annual
26 reports, the committee shall give careful consideration to the
27 fiscal needs and procedures of cities of the various population
28 groups, producing separate forms, if necessary, to the end that
29 said forms shall not be inconsistent with the general
30 administrative practices of the cities of various sizes.]

1 It shall be the duty of the Secretary of Community [Affairs]
2 and Economic Development, or his agent, to see to it that the
3 forms required by this act are prepared in cooperation with said
4 committee. In the event that said committee should for any
5 reason fail to furnish such cooperation, the Secretary of
6 Community [Affairs] and Economic Development, or his agent,
7 shall complete the preparation of the forms. After their
8 preparation, he shall issue said forms and distribute them
9 annually, as needed, to the designated officers of each city of
10 the third class.

11 No change or alteration in the forms prescribed shall be made
12 by the Secretary of Community [Affairs] and Economic Development
13 or his agent except by a majority approval of the committee,
14 unless upon reasonable notice two or more representatives
15 thereof fail to attend the committee meetings. In voting upon
16 any change or alteration, each representative and the chairman
17 of the committee shall have one vote.

18 Section 5. This act shall take effect in 60 days.