



The Pennsylvania Municipal League  
*President – Michael A. Nutter, Mayor, City of Philadelphia*



The Pennsylvania State Association of Township Commissioners  
*President – Ed Black, Commissioner, Lower Allen Township*

## MEMO

To: Members of the House Labor and Industry Committee  
From: Amy Sturges, Director of Governmental Affairs, PML and PSATC  
Date: May 5, 2015  
Re: Opposition to House Bill 782 (PN 925) – UCC Third Party Inspectors

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On behalf of the membership of the PA Municipal League (PML) and the membership of the PA State Association of Township Commissioners (PSATC), I write to express opposition to HB 782 which is the subject of a Committee hearing on May 7.

House Bill 782 places several mandates on UCC opt-in municipalities utilizing third party inspectors. These mandates are actions that local officials have the ability to implement now, if they so desire. PML and PSATC believe such decisions should remain local and at the discretion of the local elected officials in order to do what is best for each individual community and its residents.

As you know, HB 782 would require opt-in municipalities using a third party inspector for the administration and enforcement of the UCC to retain at least two third party inspectors. Furthermore, retention of the third parties would be required to be done through an RFP process and the awarding of a professional services contract. This contract must then be renewed every two years. These additional requirements are unfunded mandates that will increase the costs and administration of UCC compliance, as well as jeopardize a municipality's duty to protect the health, safety and welfare of its citizens.

The proposed required increase in the number of third party inspectors to at least two is unnecessary. A local governing body has the authority now to increase the number of inspectors at its discretion. Having more than one third party requires not only contracting, but also increased monitoring while losing a level of control over enforcement. When a municipality is forced to expand its enforcement program by expanding a developer's or home owner's choice of inspectors, the risk for abuse also expands. Municipalities must closely monitor the performance of its third parties for consistent, objective enforcement. Increased monitoring to cover an expanded enforcement program will increase local costs. These increased costs should only be by local choice.

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For each third party, HB 782 requires a new process involving competitive bidding while at the same time requiring a professional services contract. From a purchasing law perspective, professional services are typically exempt from competitive bidding. And here again, the local elected officials have the ability to utilize a competitive process now in selecting a third party.

The requirement to utilize an RFP process will add expense to the selection of the third parties. As will the requirement to re-bid the contracts every two years. Again, these costs should be incurred by local choice.

An additional concern we have involves a potential unintended consequence of the language in the bill. As written, we believe there is an intent for municipalities that handle all UCC inspections in-house to be exempt from the requirement to have two or more third party inspectors. We are not clear, however, on communities that use a third party as a back-up inspection agency to cover extra demands, sick leave or vacation schedules, rather than to regularly perform inspections. We read the mandate in HB 782 to be triggered by any use of a third party. If this is true, it would negatively impact in-house enforcement programs for the above mentioned reasons.

Finally, it is our understanding that these mandates are being proposed as a way to address complaints of excessive permit fees, inspection delays and poor service. These types of issues are best solved through the complaint and appeals process already in place through the UCC at both the state and local level. Anyone who feels improper decisions have been made or that fees are excessive has avenues for complaint now. Perhaps we need to find a way to make these avenues more widely known before mandating additional program costs.

Local governing bodies continue to need the flexibility to decide if they want to expand their UCC program beyond one third party agency. House Bill 782 will eliminate this local control and instead create an expansion of UCC enforcement programs that will require not only increased costs, but increased oversight at the local level.

For these reasons, PML and PSATC are opposed to the mandates in HB 782. The complaint and appeals processes available under the UCC should be used to address local concerns before adding costs and expanding local programs through mandates.

Thank you for your consideration.