

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 950 Session of
1995

INTRODUCED BY SERAFINI, THOMAS, TRELLO, YOUNGBLOOD, CIVERA AND
DALEY, MARCH 1, 1995

REFERRED TO COMMITTEE ON URBAN AFFAIRS, MARCH 1, 1995

AN ACT

1 Amending the act of July 10, 1987 (P.L.246, No.47), entitled "An
2 act empowering the Department of Community Affairs to declare
3 certain municipalities as financially distressed; providing
4 for the restructuring of debt of financially distressed
5 municipalities; limiting the ability of financially
6 distressed municipalities to obtain government funding;
7 authorizing municipalities to participate in Federal debt
8 adjustment actions and bankruptcy actions under certain
9 circumstances; and providing for consolidation or merger of
10 contiguous municipalities to relieve financial distress,"
11 imposing a limitation on the right of a municipality to
12 petition the court for an increase in the rate of taxation.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Sections 123(c) and 141 of the act of July 10,
16 1987 (P.L.246, No.47), known as the Municipalities Financial
17 Recovery Act, are amended to read:

18 Section 123. Powers and duties of municipalities.

19 * * *

20 (c) Right to petition court for tax increase.--

21 (1) After a municipality has adopted a plan under
22 Subchapter C of Chapter 2, it may petition the court of

1 common pleas of the county in which the municipality is
2 located to increase its rates of taxation for earned income
3 of residents, real property, or both, beyond maximum rates
4 provided by law. If a tax increase above existing limits is
5 granted by the courts, the increase shall be effective for a
6 period of one year from the date a final plan is adopted by
7 the governing body pursuant to section 245. Subsequent
8 increases in rates of taxation may be granted by the court
9 upon annual petition of the municipality. The additional
10 amount of taxes resulting from the petition shall not be
11 subject to sharing with a school district.

12 (2) A city of the second class A shall not have the
13 power to petition the court for an increase in the rate of
14 taxation for earned income of nonresidents.

15 Section 141. Jurisdiction of court of common pleas.

16 The court of common pleas of each county shall have
17 jurisdiction to hear a petition filed by a municipality which
18 has adopted a final plan pursuant to Subchapter C of Chapter 2
19 to increase rates of taxation for earned income of residents,
20 real property, or both, beyond maximum rates provided by law.
21 The court may extend annually the increased taxing powers of the
22 municipality until the termination date of the plan adopted by
23 the municipality pursuant to Chapter 2.

24 Section 2. This act shall apply to petitions to increase
25 rates of taxation that relate to tax years beginning after the
26 effective date of this act.

27 Section 3. This act shall take effect in 60 days.