

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2339 Session of 2014

INTRODUCED BY TAYLOR, NEILSON AND W. KELLER, JUNE 13, 2014

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JUNE 13, 2014

AN ACT

1 Amending the act of June 5, 1991 (P.L.9, No.6), entitled "An act
2 providing for the financial stability of cities of the first
3 class; establishing an authority empowered to assist cities
4 of the first class in their financial affairs and to issue
5 findings and recommendations to cities of the first class and
6 to the General Assembly; creating the authority and providing
7 for its powers and duties; authorizing each city of the first
8 class and the authority to enter into intergovernmental
9 cooperation agreements and specifying certain terms of such
10 agreements and ordinances whereby cities of the first class
11 enter into such agreements; empowering the authority to incur
12 indebtedness, receive revenues, acquire the obligations of
13 assisted cities, make loans and offer other financial
14 assistance to such cities subject to conditions; establishing
15 procedures for the preparation and review of financial plans
16 of cities of the first class while bonds of the authority are
17 outstanding and providing remedies for failure to adhere to
18 such plans; requiring certain contracts to be consistent with
19 the financial plan; making certain provisions with respect to
20 short-term borrowing by cities of the first class;
21 establishing procedures for handling authority funds, and
22 providing for certain payments to the authority; providing
23 security for bonds and notes issued by the authority;
24 authorizing the creation of a debt service reserve fund and
25 providing for its maintenance; granting to the holders of the
26 authority's indebtedness and to the authority certain
27 remedies in the event of default by the authority or by an
28 assisted city on authorized obligations; authorizing cities
29 of the first class to receive financial assistance from the
30 authority under certain terms and conditions; establishing
31 the method for the appointment and composition of the
32 authority board; prohibiting the authority and assisted
33 cities from filing a petition under Federal bankruptcy
34 statutes; authorizing an appropriation for authority
35 operating expenses; authorizing cities of the first class to

1 impose an optional sales and use tax; authorizing cities of
2 the first class to impose certain taxes for the authority;
3 authorizing emergency payment deferral; and providing
4 jurisdiction for challenges to this act," repealing a
5 provision concerning the effect of an assisted city's
6 financial plan on arbitration awards.

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

9 Section 1. Section 209(k) of the act of June 5, 1991 (P.L.9,
10 No.6), known as the Pennsylvania Intergovernmental Cooperation
11 Authority Act for Cities of the First Class, repealed December
12 30, 2002 (P.L.2001, No.230), repeal declared unconstitutional
13 838 A.2d 566 (Pa. 2003), is repealed to read:

14 Section 209. Financial plan of an assisted city.

15 * * *

16 [(k) Effect of plan upon certain arbitration awards.--

17 (1) After the approval by the authority of a financial
18 plan submitted pursuant to this section, any determination of
19 a board of arbitration established pursuant to the provisions
20 of the act of June 24, 1968 (P.L.237, No.111), referred to as
21 the Policemen and Firemen Collective Bargaining Act,
22 providing for an increase in wages or fringe benefits of any
23 employee of an assisted city under the plan, in addition to
24 considering any standard or factor required to be considered
25 by applicable law, shall take into consideration and accord
26 substantial weight to:

27 (i) the approved financial plan; and

28 (ii) the financial ability of the assisted city to
29 pay the cost of such increase in wages or fringe benefits
30 without adversely affecting levels of service.

31 (2) Such determination shall be in writing, and a copy
32 thereof shall be forwarded to each party to the dispute and
33 the authority. Any determination of the board of arbitration

1 which provides for an increase in wages or fringe benefits of
2 any employee of an assisted city shall state with specificity
3 in writing all factors which the board of arbitration took
4 into account in considering and giving substantial weight to:

5 (i) the approved financial plan of the assisted
6 city; and

7 (ii) the assisted city's financial ability to pay
8 the cost of such increase.

9 (3) (i) Any party to a proceeding before a board of
10 arbitration may appeal to the court of common pleas to
11 review:

12 (A) the consideration of the assisted city's
13 financial plan;

14 (B) the determination as to the assisted city's
15 financial ability to pay; or

16 (C) the failure of the board of arbitration to
17 issue a determination, including a detailed writing
18 of all factors which the board of arbitration took
19 into account in considering and giving substantial
20 weight to the assisted city's financial ability to
21 pay and the assisted city's financial plan.

22 (ii) The decision of the board of arbitration shall
23 be vacated and remanded to the board of arbitration if
24 the court finds:

25 (A) that the board of arbitration failed to take
26 into consideration and accord substantial weight to
27 the approved financial plan;

28 (B) that the board of arbitration's
29 determination as to the assisted city's financial
30 ability to pay is not supported by substantial

1 evidence as produced by the parties to the
2 proceedings before the board of arbitration; or

3 (C) that the board of arbitration has failed to
4 state with specificity in writing the factors which
5 it took into account in considering and giving
6 substantial weight to the assisted city's financial
7 ability to pay or the assisted city's approved
8 financial plan.

9 (iii) Such appeal shall be commenced not later than
10 30 days after the issuance of a final determination by
11 the board of arbitration.

12 (iv) If, after the exhaustion of all appeals, the
13 final arbitration award is not in compliance with the
14 approved financial plan, the award shall not be void or
15 voidable solely by reason of such noncompliance, but the
16 assisted city shall submit to the authority a proposed
17 revision to the plan which demonstrates that revenues
18 sufficient to pay the costs of the award will be
19 available in the affected fiscal years of the plan.]

20 Section 2. This act shall take effect immediately.