



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1876

PRINTER'S NO: 2540

PRIME SPONSOR: Hornaman

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Expenditure Increase/(Decrease):		
General Fund	*See analysis	* See analysis

OVERVIEW:

House Bill 1876 amends Title 45 (Legal Notices) by further providing for advertising rates and additional publication of notices or advertisements on internet websites.

Under this legislation, a newspaper of general circulation may not charge a government unit a price that exceeds 75% of the legal advertising rates in effect on July 1, 2009 or a price that exceeds 75% of the lowest base classified advertising rate charged by the newspaper to its non-contractual commercial customers for advertisements of the same size, whichever is lower. After June 30, 2012, the price may be raised no more than the annual cost-of-living increase calculated by applying the percentage change in the consumer price index.

A newspaper of general circulation must publish their legal advertising rates within 30 days of the act's effective date and 30 days prior to a change in rates.

This legislation provides for legal notices to be published on internet websites, unless high-speed internet broadband service is not available.

The legal advertising rates charged by newspapers of general circulation shall be subject to an annual audit at the discretion of the Auditor General.

This act shall take effect in 60 days.

ANALYSIS:

The enactment of House Bill 1876 has the potential to reduce the cost of advertising legal notices for both local government units and the Commonwealth by reducing the rates charged to government entities. According to the Pennsylvania League of Cities and Municipalities and the Pennsylvania Newspaper Association, the rates for legal advertisements in newspapers of general circulation vary widely across the Commonwealth. Due to these variations in advertising rates, any cost savings experienced by government entities within the Commonwealth are unquantifiable.

There is a potential fiscal impact for the Commonwealth when audits by the Auditor General are conducted. According to the Department of Auditor General, the scope and nature of an audit related to advertising costs for legal notices will influence the cost of an investigation.

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House Appropriations Committee, (D)

DATE: November 16, 2009

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*