



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 197

PRINTERS NO. 3834

PRIME SPONSOR: Gingrich

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0
Local Government Funds	\$0	\$0

SUMMARY: Amends Title 53 (Municipalities Generally) to further provide for review of agreements by the Local Government Commission, and further providing for the hotel room rental tax in second class counties. The amendments to §2314 are effective in 60 days and the changes to §8721 are effective immediately.

ANALYSIS: This legislation would amend Title 53 regarding review of agreements by the Local Government Commission and provides for the hotel room rental tax distribution in second class counties.

Local Government Commission: This legislation would amend §2314 (which is renamed "required review of specified agreements") to specify that the Local Government Commission (LGC) has 90 days to review intergovernmental cooperation agreements between a local government and the Commonwealth, any other state, government of another state or the Federal government. These agreements shall be submitted to the LGC, prior to and as a condition of enactment of an ordinance implementing the agreement. Within 90 days of receipt, the LGC will submit a written advisory response regarding its review of the agreement, with any recommended amendments to place the agreement in a form compatible with the laws of the Commonwealth.

If the LGC fails to provide the advisory written response within the 90 day time period, it shall not impede the effectiveness or implementation of the agreement.

This legislation would also designate a series of contracts or agreements that are exceptions to the review process. These agreements or contracts include:

- Contracts or agreements between local governments and the Commonwealth that are of a routine nature or are performed on a periodic basis, such those for public improvements or maintenance.

- State grants and loans that are administered by the Commonwealth pursuant to a statute or regulation.
- Contracts or agreements for cooperative purchasing.
- Contracts, agreements, or memoranda of understanding between the Commonwealth and a local government that are expressly authorized by statute or regulation and by which the Commonwealth delegates all or a portion of its enforcement duties or responsibilities to a local government unit.
- Contracts or agreements between the Commonwealth and a local government unit that are expressly authorized by statute or regulation and through which the local government unit provides a service on the behalf of the Commonwealth.
- Contracts or agreements relating to the purchase, right to capacity, sale, exchange, interchange, wheeling, pooling, transmission or development of electric power and associated energy and related services.

Hotel Room Rental Tax: This legislation would amend §8721 relating to the hotel room rental tax for second class counties by deleting the reference to a three year time period during which a municipality in which a convention center or exhibition hall is located may continue to collect and receive the tax despite the discontinuation of operation or closure of the convention center or exhibition hall located in the municipality. The effect of the amendment will be to enable such a municipality to continue to collect and receive the tax even if the convention center has discontinued operations for longer than three years.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or local government funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 30, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.