



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1718

PRINTERS NO. 3804

PRIME SPONSOR: Creighton

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
Municipal Funds	\$0	\$0

SUMMARY: Amends the Pennsylvania Municipalities Planning Code (MPC) regarding the time period to dispute the amount of review fees for projects, the amount of financial security held at the end of a project and arbitration over disputed fees. This legislation would take effect in 60 days.

ANALYSIS: This legislation would amend the Pennsylvania Municipalities Planning Code regarding the time period to dispute the amount of review fees for projects, the amount of financial security held at the end of a project and arbitration over disputed fees.

Dispute of Review Fees and/or Inspection Fees: This legislation would extend from either 30 days (inspection fees) or 45 days (review fees) to 100 days the time period for a property owner to dispute the amount of fees. Failure to dispute a bill within the prescribed time period results in a waiver of the right to arbitrate that bill.

Financial Security: This legislation would clarify the MPC to insure that the municipality may only retain 10% of the original amount of the posted financial security for the project.

Arbitration Costs: Under this legislation, if a disputed fee is upheld by the arbitrator, the fee of the arbitrator shall be paid by the applicant. If the arbitrator finds that the applicant has been overcharged by \$2,500 or more, the professional consultant shall pay the costs of arbitration. If the arbitrator finds that the applicant has been overcharged by less than \$2,500 the applicant and the professional consultant shall share the costs of arbitration equally.

Arbitration Surcharge: Under this legislation, if the neutral arbitrator finds that the disputed fees are "unreasonable and excessive" by more than \$10,000 and the fees have already been paid, the arbitrator shall impose a surcharge of 4% on the amount found to be excessive which shall be awarded to the party that paid the fee, in addition to the amount found to be excessive.

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

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 22, 2012

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