



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1719

PRINTERS NO. 3805

PRIME SPONSOR: Creighton

COST / (SAVINGS)

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

SUMMARY: Amends the Municipality Authorities Act (MAA) within Title 53 (Municipalities Generally) regarding the amount of financial security held at the end of a project, the time period to dispute the amount of review fees for projects and arbitration over disputed fees. This legislation would take effect in 60 days.

ANALYSIS: This legislation would amend the Municipality Authorities Act (MAA) within Title 53 (Municipalities Generally) regarding the amount of financial security held at the end of a project, the time period to dispute the amount of review fees for projects and arbitration over disputed fees.

Dispute of Review Fees and/or Inspection Fees: This legislation would extend from 20 working days to 60 days the time period for a property owner to dispute the amount of review fees or inspection 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 MAA to insure that the authority may only retain 10% of the original amount of the posted financial security for the project.

Arbitration Process: This legislation clarifies provisions in the arbitration process. In the event the property owner and the authority cannot agree on an arbitrator within 20 days of the request for an arbitrator (currently 30 days of the billing date), the president judge of the court of common pleas shall appoint an arbitrator. The arbitrator shall have 50 days from his or her appointment (instead of 60 days from the billing date) to render a decision.

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 authority 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.