



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 375

PRINTERS NO. 2093

PRIME SPONSOR: Pileggi

COST / (SAVINGS)

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

SUMMARY: Amends the Municipality Authorities Act in Title 53 (Municipalities Generally) to provide that the money of a municipal authority may only be used for services or projects directly related to the mission or purpose of the authority. This legislation would take effect in 60 days.

ANALYSIS: This legislation provides that the money of an authority may not be used for any grant, loan or purpose other than a service or project directly related to the mission or purpose of the authority as set forth in the articles of incorporation or in the resolution or ordinance.

A ratepayer to an authority shall have a cause of action in the court of common pleas where the authority is located to seek the return of money expended in violation of this legislation.

The legislation provides for an exemption for a municipal authority grant, loan or other expenditure that is:

- 1) a monetary contribution to a nonprofit community organization or activity that does not exceed \$1,000
- 2) an in-kind service, including the provision of water or other resources to a nonprofit community organization or activity, the value of which does not exceed \$1,000
- 3) an agreement for the joint purchase and use of equipment, or
- 4) an agreement for the sharing of equipment during emergency situations.

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

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: April 3, 2012

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