



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1177

PRINTERS NO. 2063

PRIME SPONSOR: Lucas

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
Municipal Funds	\$0	\$0

SUMMARY: Amends Title 53 (Municipalities Generally) regarding a referendum on formation of a local government study commission to study consolidation or merger of municipalities and how the study commission is to be funded. This legislation would take effect in 60 days.

ANALYSIS: The legislation clarifies that it must be determined in the affirmative by the majority of the whole of those voting in the municipalities impacted by the consolidation or merger. The legislation also clarifies that if the majority of the whole in the municipalities considering the question vote in the negative, the commission will not be formed.

This legislation also establishes that municipalities which do not vote in favor of the referendum shall not be liable for any costs of the study commission if the referendum is passed by a vote of the whole.

The legislation changes Section 735.1(c) of Title 53 to require that the estimated cost of the study commission shall be within the contents of the petition as well as the following statement: "Only municipalities voting in the affirmative on the question shall be held responsible for the costs of the study commission." The legislation also changes Section 735.1(d)(3) to clarify that the new statement within Section 735.1(c) shall be submitted to the electors of each of the municipalities proposed to be consolidated or merged at the next election.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth funds. The legislation would ensure that municipalities that vote for a local government study commission bear the cost of the study. Municipalities that do not vote in favor of the referendum shall not be liable for any costs of the study commission if the referendum is passed by a vote of the whole.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 17, 2013

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