



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 104

PRINTERS NO. 4250

PRIME SPONSOR: Godshall

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	\$0
Municipal Authority Funds	\$0	\$0
Municipal Funds	\$0	\$0

**SUMMARY:** Requires a municipal authority to publicly discuss all acquisitions and the sale or transfer of authority-owned water and sewer infrastructure and how the acquisition or sale will benefit the authority's existing ratepayers; and establishes an audit requirement. This legislation would take effect in 90 days.

**ANALYSIS:** This legislation amends the Municipal Authorities Act (Chapter 56 of Title 53) to prohibit an authority from making an acquisition until it discusses the acquisition at a public meeting. The legislation creates a new section to prohibit an authority from selling or transferring any authority-owned water or sewer infrastructure until the sale is discussed at a public meeting. In both cases, the minutes of the meeting must include detailed information relating to the projected public benefit that will be realized as a result of the acquisition or sale. The legislation also defines a "public benefit".

The legislation changes the reporting requirement for municipal authorities who file annual reports with DCED and the municipality or municipalities. A report shall be filed within 180 days of the end of the authority's fiscal year and shall be posted on the authority's publicly accessible Internet website. If the authority does not maintain a publicly accessible Internet website, the report shall be provided by electronic or other means to any other municipality that has customers served by the authority.

The Auditor General shall audit a municipal authority located in a third class county with a population of more than 355,000 but less than 400,000, as determined by the 2010 census (Westmoreland County). The audit shall review the authority's billing systems, acquisitions, transparency, management practices and compliance. The audit must be completed by December 31, 2019 and include recommendations on how to improve the authority's operations to enhance economy, efficiency and effectiveness.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth funds as the Office of the Auditor General indicates that they can accommodate the additional work within its current funding and staffing levels, which may result in the delay or reduction of other auditing functions performed by the office.

This legislation would have no adverse fiscal impact on municipal or municipal authority funds. It is presumed that any discussion of a municipal authority acquisition, sale or transfer would typically occur at a regularly scheduled meeting and would not require the sunshining of an additional public meeting.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** October 17, 2018

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