



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1036

PRINTERS NO. 3856

PRIME SPONSOR: Moul

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
Borough Funds	\$0	\$0

SUMMARY: Provides for a referendum for a reduction in the size of borough council, allows portions of First Class Townships to become Boroughs, and clarifies that Boroughs are exempt from the Gross Receipts Tax for the purchase of and selling of electricity. This legislation would take effect in 60 days.

ANALYSIS: This legislation places a question proposing a reduction in the size of borough council before the voters of the borough, rather than leaving it at the discretion of the county court of common pleas. The legislation also allows portions of First Class Townships to become Boroughs and clarifies that Boroughs are exempt from the Gross Receipts Tax for the purchase of and selling of electricity.

Borough Council Size Reduction: This legislation amends Section 818 of the Borough Code, which provides the process by which a borough, with a population of 3,000 residents or less, may seek to reduce the size of its borough council from seven to five or to three. The court of common pleas must, upon petition (which specifies the number of members of council proposed) of at least 5% of the registered electors of the borough, certify it to instruct the county board of elections that the question should be presented for a referendum vote in the borough at the next general election scheduled no sooner than the thirteenth Tuesday following the date of the petition. Upon receipt of the certified election results, the court is instructed to issue a final decree granting or denying the request of the petitioners.

If the petition is successful, a transition to the new size of council shall proceed according to current law. No petition under this mechanism may be considered by the court more often than once every five years.

The legislation also allows landowners in First Class Townships to petition county court to form a new Borough if they meet or follow specifications in the Code.

Borough Electricity: The legislation exempts the Borough purchase or selling of electricity for use inside the limits of the borough from the Gross Receipts Tax.

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

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: May 28, 2020

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