

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1061

PRINTER'S NO. 1362

AMOUNT

No cost to the Commonwealth

FUND

General Fund

DATE INTRODUCED

July 31, 2009

PRIME SPONSOR

Senator Robbins

HISTORY OF BILL

Referred to LOCAL GOVERNMENT, July 31, 2009

Reported as committed, Feb. 2, 2010

First consideration, Feb. 2, 2010

Re-referred to APPROPRIATIONS, March 10, 2010

Re-reported as committed, March 22, 2010

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1061 amends Act 566 of 1956 (Incorporated Towns) as part of a package of five bills clarifying that a town may create and abolish the office of a town manager, and that the town council may hire and replace, at its pleasure, the person holding that position.

More specifically, the amendments provide authorization for an employment agreement with a town manager. The amendments permit the employment agreement to generally set the terms and conditions of employment, and it may contain provisions that specify conditions under which a town manager would be entitled to severance compensation. Nevertheless, the scope of the agreement is limited; the term of such an agreement cannot bind future governing bodies because it may not extend beyond the date of the organization meeting of the governing body following the next municipal election after the effective date of the agreement.

Also, notwithstanding the potential for severance payments, an employment agreement with a town manager shall not be a guarantee of employment through the term of the agreement, and it shall not confer upon the town manager any legal remedy to continued employment based on specific performance.

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A summary provided by the Local Government Commission was used to prepare this fiscal note.

The Act shall take effect in 60 days.

FISCAL IMPACT:

It is presumed there would be no costs to the Commonwealth.