

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

**BILL NO.** Senate Bill 1062

**PRINTER'S NO.** 1363

**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 1062 amends The Borough Code as part of a package of five bills clarifying that a borough may create and abolish the office of a borough manager, and that the borough 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 borough manager. The amendments permit the employment agreement to generally set forth the terms and conditions of employment, and it may contain provisions that specify conditions under which a borough 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 borough manager shall not be a guarantee of employment through the term of the agreement, and it shall not confer upon the borough manager any legal remedy to continued employment based on specific performance.

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

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The Act shall take effect in 60 days.

### **FISCAL IMPACT:**

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