

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 197

PRINTER'S NO. 3834

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 24, 2011

PRIME SPONSOR

Representative Gingrich

HISTORY OF BILL

Referred to LOCAL GOVERNMENT, Jan. 24, 2011

Reported as amended, Feb. 15, 2011

First consideration, Feb. 15, 2011

Laid on the table, Feb. 15, 2011

Removed from table, Feb. 15, 2011

Re-committed to APPROPRIATIONS, Feb. 15, 2011

Re-reported as committed, April 12, 2011

Second consideration, with amendments, April 26, 2011

(Remarks see House Journal Page 715), April 26, 2011

Re-committed to APPROPRIATIONS, April 26, 2011

Re-reported as committed, April 27, 2011

Third consideration and final passage, April 27, 2011 (192-0)

In the Senate

Referred to LOCAL GOVERNMENT, May 3, 2011

Reported as amended, June 19, 2012

First consideration, June 19, 2012

Second consideration, June 20, 2012

Re-referred to APPROPRIATIONS, June 20, 2012

Re-reported as amended, June 26, 2012

DESCRIPTION AND PURPOSE OF BILL

House Bill 197, as amended, amends Title 53 (Municipalities Generally) to further provide for review of agreements by the Local Government Commission with regard to chapter 23, subchapter A (Intergovernmental Cooperation). The legislation also amends chapter 87 (Other Subjects of Taxation), further providing for hotel room rental.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Intergovernmental Cooperation Agreements

House Bill 197 specifies that an agreement between a local government and the Federal Government, the Commonwealth, any other state or government of another state shall be submitted to the Local Government Commission ("LGC") for review and recommendation. Within 90 days of receipt of the agreement, the LGC shall provide an advisory written response to the local government or other party submitting the agreement. The response shall include any recommended changes to the agreement with regard to form and compatibility with the laws of this Commonwealth. If the LGC fails to provide an advisory written response within 90 days, such failure shall not bar or impede the effectiveness or implementation of the agreement.

The legislation specifies that the required review of agreements does not apply to the following contracts, agreements or transactions:

- Contracts or agreements between a local government and the Commonwealth that are of a routine nature or are performed on a periodic basis, such as those for public improvements or maintenance.
- State grants and loans that are administered by the Commonwealth pursuant to statute or regulation.
- Contracts or agreements for cooperative purchasing.
- Contracts, agreements or memoranda of understanding between the Commonwealth and a local government that are expressly authorized by statute or regulation and by which the Commonwealth delegates all or a portion of its enforcement duties or responsibilities to a local government.
- Contracts or agreements between the Commonwealth and a local government that are expressly authorized by statute or regulation and through which the local government provides a service on behalf of the Commonwealth.
- Contracts or agreements relating to the purchase, right to capacity, sale, exchange, interchange, wheeling, pooling, transmission or development of electric power and associated entity and related services.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Hotel Room Rental Tax

House Bill 197 amends section 8721(b) of Title 53 with regard to hotel room rental in counties of the second class (i.e. Allegheny County). The legislation amends section 8721(b)(5) to ensure that a municipality where a convention center or exhibition hall discontinues operations will continue to receive the existing hotel room rental tax. In addition, HB 197, as amended, provides that the proceeds of the hotel room rental tax from such municipality be used for the purposes currently established in section 8721(b)(2), which are designed to stimulate and increase the volume of conventions and visitors within the municipality.

The amendment of 53 Pa.C.S. § 2314 shall take effect in 60 days. The remainder of this act shall take effect immediately.

FISCAL IMPACT:

The amendment of section 2314 with regard to intergovernmental cooperation agreements will have no adverse fiscal impact on Commonwealth or local funds.

The amendment of section 8721 will ensure that a municipality located in a county of the second class and having a convention center or exhibition hall located within its borders will continue to receive the 5% hotel room rental tax even if the convention center or exhibition hall discontinues operations.