

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1449

PRINTER'S NO. 1739

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 3, 2011

PRIME SPONSOR

HISTORY OF BILL

Referred to LOCAL GOVERNMENT, May 3, 2011

Reported as committed, May 24, 2011

First consideration, May 24, 2011

Laid on the table, May 24, 2011

Removed from table, June 6, 2011

Second consideration, June 8, 2011

Re-committed to APPROPRIATIONS, June 8, 2011

Re-reported as committed, June 13, 2011

Third consideration and final passage, June 13, 2011 (201-0)

In the Senate

Referred to LOCAL GOVERNMENT, June 14, 2011

Reported as committed, June 21, 2011

First consideration, June 21, 2011

Re-referred to APPROPRIATIONS, June 23, 2011

Re-reported as committed, June 28, 2011

DESCRIPTION AND PURPOSE OF BILL

House Bill 1449 amends The Borough Code by 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.

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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.

The Act shall take effect in 60 days.

FISCAL IMPACT:

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