

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1718

**PRINTER'S NO.** 3084

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 23, 2011

**PRIME SPONSOR**

Representative Creighton

**HISTORY OF BILL**

Referred to LOCAL GOVERNMENT, June 23, 2011

Reported as amended, June 19, 2012

First consideration, June 19, 2012

Re-committed to RULES, June 19, 2012

Re-reported as committed, June 21, 2012

Second consideration, with amendments, June 21, 2012

Re-committed to APPROPRIATIONS, June 21, 2012

(Remarks see House Journal Page ), June 21, 2012

Re-reported as committed, June 25, 2012

Third consideration and final passage, June 25, 2012 (192-2)

In the Senate

Referred to LOCAL GOVERNMENT, June 29, 2012

Reported as committed, Sept. 24, 2012

First consideration, Sept. 24, 2012

Second consideration, Oct. 15, 2012

Re-referred to APPROPRIATIONS, Oct. 15, 2012

Re-reported as committed, Oct. 16, 2012

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1718 amends the Pennsylvania Municipalities Planning Code (Act 247 of 1968 or "MPC") regarding the time period to dispute the amount of review fees for projects, the amount of financial security held at the end of a project, and arbitration over disputed fees.

The MPC provides for the imposition of inspection and review fees, which are fees charged to a property owner for the municipality's professional consultant to review development plans. House Bill 1718 extends the time period for a property owner to dispute the amount of fees from either 30 days (inspection fees) or 45 days (review fees) to 100 days. Failure to dispute the fees within the prescribed time period results in a waiver of the right to arbitration.

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The legislation clarifies the MPC to ensure that a municipality may retain only 10% of the original amount of the posted financial security for a project. Under current law, a municipality may require retention of 10% of the estimated costs of a project prior to final release of financial security. Presently, there is some question as to whether the statute requires the submission of 10% of additional financial security or whether 10% of the original financial security is required to be retained.

Under current law, if a review fee or inspection fee is upheld by an arbitrator, the applicant pays the cost of arbitration. If the disputed fees are found to be excessive by \$5,000 or more, the arbitrator may apportion the fees between the applicant and the professional consultant. House Bill 1718 provides that if the arbitrator finds that the applicant has been overcharged by \$2,500 or more, the professional consultant shall pay the costs of arbitration. If the arbitrator finds that the applicant has been overcharged by less than \$2,500, the applicant and the professional consultant shall share the costs of arbitration equally.

The legislation provides that if a neutral arbitrator finds that the disputed fees are "unreasonable and excessive" by more than \$10,000 and the fees have already been paid, the arbitrator shall impose a surcharge of 4% on the amount found to be excessive, which shall be awarded to the party that paid the fee, in addition to the amount found to be excessive.

The act shall take effect in 60 days.

## **FISCAL IMPACT:**

The legislation will have no adverse fiscal impact on Commonwealth funds.