

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1719

PRINTER'S NO. 3805

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 1719 amends Title 53 (Municipalities Generally) 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.

Chapter 56 of Title 53 is known as the Municipality Authorities Act ("MAA"). House Bill 1719 amends the powers of municipal authorities by clarifying the MAA to ensure that an authority may retain only 10% of the original amount of the posted financial security for a project. Under current law, an authority 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 require to be retained.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

The legislation extends the time period for a property owner to dispute the amount of fees from 20 working days within the date of billing to 60 days. Failure to dispute the fees within the prescribed time period results in a waiver of the right to arbitration.

House Bill 1719 provides that if a dispute is not resolved within 60 days from the date of billing (current law is 30 days), the property owner shall have the right to request the appointment of another professional consultant to serve as arbitrator. If the parties cannot agree on a professional consultant within 20 days of the request for appointment of an arbitrator, the president judge of the court of common pleas shall appoint an arbitrator. Presently, appointment by the president judge occurs within 30 days of the billing date.

House Bill 1719 provides that the fee of the arbitrator shall be paid by the property owner if the disputed fee is upheld by the arbitrator. The fee of the arbitrator shall be paid by the authority if the disputed fee is \$2,500 or greater than the payment decided by the arbitrator. The fee of the arbitrator shall be paid in an equal amount if the disputed fee is less than \$2,500 of the payment decided by the arbitrator.

The legislation provides that if an arbitrator finds that the disputed fees are "unreasonable and excessive" by more than \$10,000, 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.