

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 285

PRINTER'S NO. 1557

AMOUNT

Minimal Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 26, 2011

PRIME SPONSOR

Senator Folmer

HISTORY OF BILL

Referred to LOCAL GOVERNMENT, Jan. 26, 2011
Corrective Reprint, Printer's No. 319, Jan. 31, 2011
Reported as committed, Feb. 14, 2011
First consideration, Feb. 14, 2011
Re-referred to APPROPRIATIONS, March 7, 2011
Re-reported as amended, Sept. 20, 2011

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 285, as amended, amends The Borough Code (Act 581 of 1965) to increase the threshold for competitive bidding for purchases and contracts from \$10,000 to a base amount of \$18,500. The bill also increases the threshold for written or telephonic price quotations for contracts from \$4,000 to the base amount of \$10,000. Both thresholds would be subject to an annual inflation adjustment based on the percentage increase in the Consumer Price Index, limited to a maximum annual adjustment of 3% of the respective base amounts.

The legislation prescribes a method for determining annual inflation adjustments and would require the Department of Labor and Industry to annually calculate the percentage change in the CPI and publish notice of the adjustments in the Pennsylvania Bulletin. Notice must be published prior to January 1 of each year.

The Act takes effect immediately and would apply to contracts and purchases advertised on or after January 1 of the year following the effective date of the Act.

FISCAL IMPACT:

Costs associated with the Department of Labor and Industry's duties under this act are expected to be minimal and capable of being absorbed within existing fiscal resources.