

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 1177

PRINTER'S NO. 3834

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 15, 2013

PRIME SPONSOR

Representative Lucas

DESCRIPTION AND PURPOSE OF BILL

House Bill 1177 amends Title 53 (Municipalities Generally) regarding a referendum on formation of a local government study commission to study consolidation or merger of municipalities and how the study commission is to be funded.

House Bill 1177 clarifies that it must be determined in the affirmative by the majority of the whole of those voting in the municipalities impacted by the consolidation or merger. The legislation also clarifies that if the majority of the whole in the municipalities considering the question vote in the negative, the commission will not be formed. Presently, there is some vagueness as to when such a referendum is to be considered passed: either by a majority vote of the whole in the municipalities considering the question, or by a majority vote in each of the municipalities considering the question separately.

House Bill 1177 establishes that municipalities that do not vote in favor of the referendum shall not be liable for any costs of the study commission if the referendum is passed by a vote of the whole.

Under existing law, section 735.1 of Title 53 provides for the creation of a local government study commission to study merger or consolidation of municipalities with the creation of a new home rule charter. House Bill 1177 amends section 735.1(c) to require that the estimated cost of the study commission shall be contained within the contents of the petition as well as the following statement:

Only municipalities voting in the affirmative on the question will be held responsible for the costs of the study commission.

The legislation also amends section 735.1(d)(3) to clarify that the new statement within section 735.1(c) shall be submitted to the electors of each of the municipalities proposed to be consolidated or merged at the next election.

The legislation will take effect in 60 days.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

FISCAL IMPACT:

House Bill 1177 will have no adverse fiscal impact on Commonwealth funds.

The legislation would ensure that municipalities that vote for a local government study commission bear the cost of the study. Municipalities that do not vote in favor of the referendum shall not be liable for any costs of the study commission if the referendum is passed by a vote of the whole.