

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 902

PRINTER'S NO. 1294

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

June 7, 2013

PRIME SPONSOR

Senator Blake

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 902 amends the Municipality Authorities Act contained in Title 53 (Municipalities Generally) and the Public Official and Employee Ethics Act contained in Title 65 (Public Officers) to coordinate the conflict of interest provisions as they relate to municipal authorities.

The legislation amends section 5614(e) of Title 53 to specifically provide that a violation of § 5614(e) constitutes a violation of 65 Pa.C.S. § 1103(a) as one of the prohibited conflicts of interest that empowers the State Ethics Commission, the district attorney or the Office of the Attorney General to enforce such violations. Correspondingly, Title 65 is amended to specifically incorporate a reference to section 5614(e) of Title 53 into the Ethics Act as one of the prohibited conflicts of interest, thereby conferring explicit jurisdiction to the State Ethics Commission.

Senate Bill 902 also amends section 5612 of the Municipality Authorities Act to require that proceeds from borrowing under the Local Government Unit Debt Act shall not be used for any purpose unrelated to the project for which the debt was incurred, nor placed in any account used by the authority or any other local government unit for an unrelated purpose.

The act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 902 will have no adverse fiscal impact on Commonwealth or local funds.

The legislation corrects a flaw in Title 53 whereby there is no enforcement mechanism against an offender of section 5614(e) regarding conflicts of interest in the Municipality Authorities Act. Furthermore, the State Ethics Commission has taken the position that the current statute does not grant it jurisdiction to investigate and enforce section 5614(e) conflicts. Because the legislation strengthens the conflict of interest provisions in the Municipality Authorities Act, Senate Bill 902 may further protect communities against transactions that threaten their fiscal well-being.