

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1184

PRINTER NO. 2928

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 15, 2021

PRIME SPONSOR

Representative Moul

DESCRIPTION

House Bill 1184 amends the Borough Code to make technical changes, clarifications and repeals and creates a new chapter for solid waste collection and disposition.

This bill makes the following clarifications and technical changes:

- Expenses of the mayor while attending the annual meeting of the Mayors' Association shall be reimbursed if requested;
- A person's active military duty shall not disqualify the person from fulfilling a residency requirement qualification of elected office or to fill a vacancy of an elected office;
- Residence for at least one year prior to active duty shall be deemed on-going residency;
- Clarifies that boroughs may invest in a financial instrument authorized under Act 53 of 1973 pertaining to a commercial paper;
- Removes language that requires borough budget enactment to be subject to an ordinance requirement; and
- Removes the word 'township' and replaces it with 'municipality' and makes updates for boroughs to be created from alternative forms of government.

House Bill 1184 also creates a new chapter which delineates regulation of the accumulation, collection and disposal of municipal water and recyclables and contracts, rates and charges. The definition of 'municipal waste' is added to include a reference to the Municipal Water Planning, Recycling and Waste Reduction Act (Act 101 of 1988) and is used in place of ashes, garbage, rubbish and refuse materials.

FISCAL IMPACT:

House Bill 1184 will have no fiscal impact on Commonwealth fund.

The Borough Code as amended by this bill requires the establishment of a borough advisory committee by the court that receives a petition for the creation of a borough. The committee shall within 60 days advise the court on the following:

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(1) The proposed borough's ability to obtain or provide adequate and reasonable community support services such as police protection, fire protection and other appropriate community facility services;

(2) Whether the proposed borough constitutes a harmonious whole with common interests and needs that can best be served by a borough government. In examining this factor, the committee shall consider whether the proposed borough represents a distinct community with features different from those of the existing municipality;

(3) The existing and potential commercial, residential and industrial development of the proposed borough;

(4) Whether the proposed borough would provide for land use regulations to meet the legitimate needs for all categories of residents or whether the plan is exclusionary or would result in economic segregation; and

(5) The financial or tax effect on the proposed borough and existing municipality.

The fiscal impacts to the original municipality and the newly created borough may vary significantly depending on the jurisdiction in which the new borough currently exists. Commonwealth law provides for local jurisdictions to establish local taxes that are dependent on, but not limited to, county class, city class, financial distress status and government type. The establishment of a proposed borough from an existing jurisdiction may result in short and long-term tax and revenue implications that may have significant effects on the current and future financial position of the original jurisdiction.