

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 479

PRINTER NO. 504

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 31, 2021

PRIME SPONSOR

Senator Hutchinson

DESCRIPTION

Senate Bill 479 amends the Municipalities Financial Recovery Act (Act 47 of 1987) to provide for responsibilities of coordinators and receivers appointed to assist financially distressed municipalities by requiring compliance with ethics statutes.

This bill requires additional ethical compliance requirements for the appointees, recovery coordinators and receivers who work directly with financially distressed municipalities on behalf of the Department of Community and Economic Development (DCED). Prohibited conduct would include, but is not limited to, conflicts of interest, nepotism and self-dealing in contracts. Additionally, financial compensation from the financially distressed municipality that is not explicitly authorized is prohibited, as well as is receiving any form of compensation or profit from the sale, lease or other financial transaction involving the distressed municipality or an authority under its control. A violation of any of these prohibitions would constitute grounds for termination.

This legislation also clarifies that the ethics requirements do not prohibit an eligible individual from serving the same municipality under a separate program under Act 47 of 1987.

FISCAL IMPACT:

Senate Bill 479 will have no fiscal impact on Commonwealth funds. There are currently 16 municipalities under Act 47.