

GENERAL LOCAL GOVERNMENT CODE (53 PA.C.S.) - CONSOLIDATIONS AND
MERGERS

Act of Oct. 27, 2010, P.L. 980, No. 102

Cl. 53

Session of 2010

No. 2010-102

SB 1429

AN ACT

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, further providing for consolidations and mergers.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Sections 733, 734, 735, 735.1 and 737 of Title 53 of the Pennsylvania Consolidated Statutes are amended to read:
§ 733. Procedure for consolidation or merger.

(a) General rule.--Two or more municipalities may be consolidated or merged into a single municipality, whether within the same or different counties, if each of the municipalities is contiguous to at least one of the other consolidating or merging municipalities and if together the municipalities would form a consolidated or merged municipality. Consolidation or merger may be commenced by one of the following:

(1) Joint agreement of the governing bodies of the municipalities proposed for consolidation or merger approved by ordinance **followed by approval by the electorate of the joint agreement.**

(2) Initiative of electors.

(3) One or more of the municipalities using a joint agreement followed by approval by the electorate of the joint agreement and one or more of the municipalities using initiative of electors.

(b) Combination of joint agreement and initiative.--When consolidation or merger is commenced by a combination of joint agreements and initiatives, the initiative petition and municipal joint agreement shall be materially consistent.

(c) Approval of home rule charter or optional plan.--At the same time that voters approve or disapprove the consolidation or merger of two or more municipalities, voters may approve or disapprove a new home rule charter or an optional plan under Subpart E of Part III (relating to home rule and optional plan government) that will govern the newly formed municipality resulting from the merger or consolidation. The same ballot may contain a question to consolidate or merge two or more municipalities and a question to adopt a home rule charter or an optional plan.

(d) Study of home rule charter or optional plan.--Except as provided in sections 734 (relating to joint agreement of governing bodies) and 735.1 (relating to initiative of electors seeking consolidation or merger with new home rule charter), the procedure provided for in subsection (c) shall not be utilized unless the same home rule charter or optional plan has been recommended by a government study commission elected in accordance with Ch. 29 Subch. B (relating to procedure for adoption of home rule charter or optional plan of government) in each of the municipalities to be merged or consolidated. Notwithstanding any limitations on the powers and duties of government study commissions provided in Ch.

29 Subch. B, the commissions may study and recommend a home rule charter or optional plan that would be adopted by the consolidated or merged municipalities concurrently with the study of the issue of consolidation or merger of the municipalities.

§ 734. Joint agreement of governing bodies.

(a) General rule.--The governing body of each municipality **proposed** to be consolidated or merged shall enter into a joint agreement under the official seal of each municipality to consolidate or merge into one municipality.

(b) Elements.--The joint agreement shall include, but not be limited to:

(1) The name of each municipality that is a party to the agreement.

(2) The name and the territorial boundaries of the consolidated or merged municipality.

(3) The type and class of the consolidated or merged municipality.

(4) Whether a consolidated or merged municipality shall be governed solely by the code and other general laws applicable to the kind and class of the consolidated or merged municipality; whether it shall be governed by a home rule charter or optional plan of government previously adopted pursuant to [the act of April 13, 1972 (P.L.184, No.62), known as the Home Rule Charter and Optional Plans Law, or] Subpart E of Part III (relating to home rule and optional plan government), by one of the municipalities to be consolidated or merged; or whether it shall be governed by a home rule charter or optional plan of government that has not been previously adopted in accordance with [the Home Rule Charter and Optional Plans Law or] Subpart E of Part III by any of the municipalities to be consolidated or merged, but which, in the case of an optional plan of government, has been selected and approved by the governing body of each of the municipalities to be consolidated or merged from among the options provided for in Subpart E of Part III or, in the case of a home rule charter, has been formulated and approved by the governing body of each of the municipalities to be consolidated or merged; provided, however, that nothing in this subchapter shall be construed as authorizing a municipality adopting a home rule charter or optional plan of government pursuant to this subchapter to exercise powers not granted to a municipality adopting a home rule charter or an optional plan of government pursuant to Subpart E of Part III.

(5) The number of districts or wards, if any, into which the consolidated or merged municipality will be divided for the purpose of electing all or some members of its governing body, and the boundaries of wards or districts shall be established to achieve substantially equal representation.

(6) In the case of a merger, where the surviving municipality is a city which had previously adopted an optional charter pursuant to the act of July 15, 1957 (P.L.901, No.399), known as the Optional Third Class City Charter Law, whether the resulting merged municipality will continue to operate under the optional charter.

(7) Terms for:

(i) The disposition of existing assets of each municipality.

(ii) The liquidation of existing indebtedness of each municipality.

(iii) The assumption, assignment or disposition of existing liabilities of each municipality, either jointly, separately or in certain defined proportions, by separate rates of taxation within each of the constituent municipalities until consolidation or merger becomes

effective pursuant to section 738 (relating to effectuation of consolidation or merger).

(iv) The implementation of a legally consistent uniform tax system throughout the consolidated or merged municipality which provides the revenue necessary to fund required municipal services.

(8) The governmental organization of the consolidated or merged municipality insofar as it concerns elected officers.

(9) A transitional plan and schedule applicable to elected officers.

(10) The common administration and enforcement of ordinances enforced uniformly within the consolidated or merged municipality.

(c) Transitional planning committee.--In preparing and adopting a joint agreement, the governing bodies of the municipalities may appoint a transitional planning committee composed of residents of the respective municipalities, including not more than one of whom may be a member of the governing body of each municipality, to study and make recommendations to the governing bodies regarding transitional plans and schedules, common administration and uniform enforcement of ordinances, consolidation and merger of departments and staff and other matters of concern to the governing bodies. The transitional planning committee, if created, shall continue for a maximum of six months after the effective date of the consolidation or merger to advise the new governing body of the consolidated or merged municipality on merging budgets, staffing and operations.

§ 735. Initiative of electors seeking consolidation or merger without new home rule charter.

(a) General rule.--In order for consolidation or merger proceedings to be initiated by petition of electors, petitions containing signatures of at least 5% of the number of electors voting for the office of Governor in the last gubernatorial general election in each municipality proposed to be consolidated or merged shall be filed with the county board of elections of the county in which the municipality, or the greater portion of its territory, is located.

(b) Notice to governing bodies affected.--When election officials find that a petition is in proper order, they shall send copies of the initiative petition without the signatures thereon to the governing bodies of each of the municipalities **and school districts** affected by the proposed consolidation or merger.

(c) Contents.--A petition shall set forth:

(1) The name of the municipality from which the signers of the petition were obtained.

(2) The names of the municipalities proposed to be consolidated or merged.

(3) The name of the consolidated or merged municipality.

(4) The type and class of the consolidated or merged municipality.

(5) Whether a consolidated or merged municipality shall be governed solely by the code and other general laws applicable to the kind and class of the consolidated or merged municipality; whether it shall be governed by a home rule charter or optional plan of government previously adopted pursuant to [the act of April 13, 1972 (P.L.184, No.62), known as the Home Rule Charter and Optional Plans Law, or] Subpart E of Part III (relating to home rule and optional plan government), by one of the municipalities to be consolidated or merged; or whether it shall be governed by an optional plan of government that has not been previously adopted in accordance with [the Home Rule Charter and Optional Plans Law or] Subpart E of Part III by any of the

municipalities to be consolidated or merged, but which has been selected from among the options provided for in Subpart E of Part III and is identified in the petition; provided, however, that nothing in this subchapter shall be construed as authorizing a municipality adopting an optional plan of government pursuant to this subchapter to exercise powers not granted to a municipality adopting an optional plan of government pursuant to Subpart E of Part III.

(6) In the case of a merger, where the surviving municipality is a city which had previously adopted an optional charter pursuant to the act of July 15, 1957 (P.L.901, No.399), known as the Optional Third Class City Charter Law, whether the resulting merged municipality will continue to operate under the optional charter.

(7) The number of districts or wards, if any, into which the consolidated or merged municipality will be divided for the purpose of electing all or some members of its governing body.

(d) Filing of petition.--The consolidation or merger petition shall be filed with the election officials not later than the 13th Tuesday prior to the next primary, municipal or general election. The petition and proceedings on the petition shall be conducted in the manner and subject to the provisions of the election laws which relate to the signing, filing and adjudication of nomination petitions insofar as the provisions are applicable, except that no referendum petition shall be signed or circulated prior to the 20th Tuesday before the election, nor later than the 13th Tuesday before the election.

§ 735.1. Initiative of electors seeking consolidation or merger with new home rule charter.

(a) General rule.--In order for a commission and consolidation or merger proceedings to be initiated by petition of electors, petitions containing signatures of at least 5% of the number of electors voting for the office of Governor in the last gubernatorial general election in each municipality proposed to be consolidated or merged shall be filed with the county board of elections of the county in which the municipality, or the greater portion of its territory, is located.

(b) Notice to governing bodies affected.--When election officials find that a petition is in proper order, they shall send copies of the initiative petition without the signatures thereon to the governing bodies of each of the municipalities affected by the proposed consolidation or merger.

(c) Contents.--A petition shall set forth:

(1) The name of the municipality from which the signers of the petition were obtained.

(2) The names of the municipalities proposed to be consolidated or merged.

(3) The number of persons to compose the commission.

(4) The petition question which shall read as follows:
Shall a Government Study Commission of (seven, nine or eleven) members be elected to study the issue of consolidation or merger of (municipalities to be consolidated or merged); to provide a recommendation on consolidation or merger; to consider the advisability of the adoption of a new home rule charter; and to draft a new home rule charter, if recommended in the report of the commission?

(d) Filing of petition and duty of election board.--

(1) A commission and consolidation or merger proceedings petition under this section shall be filed with the election officials not later than the 13th Tuesday prior to the next primary, municipal or general election.

(2) The petition and proceedings on the petition shall be conducted in the manner and subject to the provisions of the election laws which relate to the signing, filing and adjudication of nomination petitions insofar as the provisions are applicable, except that no referendum petition shall be signed or circulated prior to the 20th Tuesday before the election, nor later than the 13th Tuesday before the election.

(3) At the next general, municipal or primary election occurring not less than the 13th Tuesday after the filing of the petition with the county board of elections, it shall cause the appropriate question to be submitted to the electors of each of the municipalities proposed to be consolidated or merged in the same manner as other questions are submitted under the act of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania Election Code.

(e) Election of members of commission.--

(1) A commission of seven, nine or eleven members, as designated in the question, shall be elected by the qualified voters at the same election the question is submitted to the electors.

(2) Each candidate for the office of member of the commission shall be nominated and placed upon the ballot containing the question in the manner provided by and subject to the provisions of the Pennsylvania Election Code, which relate to the nomination of a candidate nominated by nomination papers filed for other offices elective by the voters. Each candidate shall be nominated and listed without any political designation or slogan, and no nomination paper shall be signed or circulated prior to the 13th Tuesday before the election nor later than the tenth Tuesday before the election. No signature shall be counted unless it bears a date within this period.

(3) Each elector shall be instructed to vote on the question and, regardless of the manner of his vote on the question, to vote for the designated number of members of the commission who shall serve if the question is or has been determined in the affirmative.

(4) If an insufficient number of nominating papers is filed to fill all of the designated positions on the commission, the question of establishing the commission shall be placed on the ballot and, unless a sufficient number of commission members are elected by receiving at least as many votes as signatures are required to file a nominating petition, then the question of creating the commission shall be deemed to have been rejected.

(f) Nomination of candidates.--

(1) All candidates for a commission shall be electors. Each candidate shall be nominated from the area of the proposed consolidated or merged municipality by nomination papers signed by a number of electors equal at least to 2% of the number of electors voting for the office of Governor in the last gubernatorial general election in each municipality proposed to be consolidated or merged or 200 electors from each municipality, whichever is less, and filed with the county board of elections of the county in which the municipality, or the greater portion of its territory, is located not later than the tenth Tuesday prior to the date of the election.

(2) Each nomination paper shall set forth the name, place of residence and post office address of the candidate thereby nominated, that the nomination is for the office of commissioner and that the signers are legally qualified to vote for the candidate. An elector may not sign nomination papers for more candidates for the commission than he could vote for at the election. Every elector signing a nomination paper shall write

his place of residence, post office address and street number, if any, on the petition.

(3) Each nomination paper shall, before it may be filed with the county board of elections, contain under oath of the candidate an acceptance of the nomination in writing, signed by the candidate therein nominated, upon or annexed to the paper or, if the same person be named in more than one paper, upon or annexed to one of the papers. The acceptance shall certify that the candidate is an elector, that the nominee consents to run as a candidate at the election and that, if elected, the candidate agrees to take office and serve.

(4) Each nomination paper shall be verified by an oath of one or more of the signers, taken and subscribed before a person qualified under the laws of this Commonwealth to administer an oath, to the effect that the paper was signed by each of the signers in his proper handwriting, that the signers are, to the best knowledge and belief of the affiant, electors and that the nomination paper is prepared and filed in good faith for the sole purpose of endorsing the person named therein for election as stated in the paper.

(g) Results of election.--

(1) The result of the votes cast for and against the question as to the election of a commission and consolidation and merger proceedings shall be returned by the election officers, and a canvass of the election had, as is provided by law in the case of other public questions put to the electors. The votes cast for members of the commission shall be counted and the result returned by the county board of electors of the county in which the municipality, or the greater portion of its territory, is located, and a canvass of the election had, as is provided by law in the case of election of members of municipal councils or boards. The designated number of candidates receiving the greatest number of votes shall be elected and shall constitute the commission. If a majority of those voting on the question vote against the election of the commission, none of the candidates shall be elected. If two or more candidates for the last seat shall be equal in number of votes, they shall draw lots to determine which one shall be elected.

(2) If, in accordance with subsection (e) (4), there has been an insufficient number of nominating papers filed to fill all of the designated positions on the commission and a sufficient number of commission members are not elected by receiving at least as many votes as signatures are required to file a nominating petition, the question as to the election of a commission and consolidation and merger proceedings shall be deemed to have been rejected and shall fail, and none of the candidates shall be elected.

(h) Oath of office of members of commission.--[As soon as possible and in any event no]

(1) No later than ten days after its certification of election, the members of a commission elected on a countywide basis shall, before a judge of the court of common pleas in the county where the election was held, make oath to support the Constitution of the United States and the Constitution of Pennsylvania and to perform the duties of the office with fidelity.

(2) No later than ten days after its certification of election, the members of a commission elected on other than a countywide basis shall, before a judge or a [district justice] magisterial district judge, make oath to support the Constitution of the United States and the Constitution of Pennsylvania and to perform the duties of the office with fidelity.

(i) First meeting of commission.--

(1) [As soon as possible and in any event no] **No** later than 15 days after its certification of election, a commission shall organize and hold its first meeting and elect one of its members chairman and another member vice chairman, fix its hours and place of meeting and adopt rules for the conduct of business it deems necessary and advisable.

(2) A majority of the members of the commission shall constitute a quorum for the transaction of business, but no recommendation of the commission shall have any legal effect unless adopted by a majority of the whole number of the members of the commission.

(j) Vacancies.--In case of a vacancy in a commission, the remaining members of the commission shall fill it by appointing thereto some other properly qualified elector.

(k) Function and duty of commission.--

(1) A commission shall study the issue of consolidation or merger of the municipalities.

(2) The commission shall study the advisability of a new home rule charter form of government for the proposed consolidated or merged municipality and compare it with other available forms under the laws of this Commonwealth and determine in its judgment which form of government is more clearly responsible or accountable to the people and its operation more economical and efficient.

(3) If a new home rule charter is found to be the most advisable form of government for the proposed consolidated or merged municipality, the commission shall:

(i) Draft and recommend to the electorate a new home rule charter for the proposed consolidated or merged municipality containing a transitional plan and schedule applicable to elected officers, provided, however, that nothing in this section shall be construed as authorizing a consolidated or merged municipality adopting a new home rule charter pursuant to this section to exercise powers not granted to a municipality adopting a home rule charter pursuant to Subpart E of Part III (relating to home rule and optional plan government).

(ii) If the new home rule charter calls for all or any part of the governing body of the consolidated or merged municipality to be elected on a district or ward basis, prepare and set forth as an appendix to the new home rule charter:

(A) The district or ward boundaries established to achieve substantially equal representation.

(B) The district or ward designation by number.

(C) The number of members of the municipal governing body to be elected from each district or ward.

(iii) Prepare and suggest for adoption by the governing body of the newly consolidated or merged municipality recommendations concerning:

(A) The disposition of assets that may be surplus or unneeded as a result of the consolidation or merger.

(B) The liquidation, assumption or other disposition of existing indebtedness of the consolidated or merged municipalities.

(C) A legally consistent uniform tax system to be implemented throughout the consolidated or merged municipality which provides the revenue necessary to fund required municipal services.

(D) Ordinances to be uniformly enforced throughout the consolidated or merged municipality, which may be adopted by the new governing body of the consolidated

or merged municipality at its organizational meeting, provided that codification of all ordinances shall be completed as specified in section 740 (relating to procedures).

(1) Compensation, personnel and commission budget.--

(1) Members of the commission shall serve without compensation but shall be reimbursed by the municipalities proposed to be consolidated or merged for their necessary expenses incurred in the performance of their duties.

(2) The commission may appoint one or more consultants and clerical and other assistants to serve at the pleasure of the commission and may fix reasonable compensation therefor to be paid the consultants and clerical and other assistants.

(3) In accordance with this subsection, the commission shall prepare and submit, to the governing body of each of the municipalities being considered for consolidation or merger, budget estimates of the amount of money necessary to meet the expenditures to be incurred by the commission in the carrying out of its functions in accordance with this section, including, but not limited to, reasonable estimations of the necessary expenses of commission members, compensation of consultants, clerical personnel and other assistants and other expenditures incident to work of the commission.

(4) The commission shall prepare and submit an initial budget submission that estimates expenses for the first nine-month phase of the commission's work. The initial budget estimate shall be submitted as soon as possible and in any event no later than 45 days after the commission's certification of election.

(5) If, during the first nine-month phase of its work, the commission elects to prepare and submit a new home rule charter for the proposed consolidated or merged municipality, a final budget shall be submitted to the governing body of each of the municipalities being considered for consolidation or merger that estimates expenses to be incurred in the completion of the commission's work.

(6) No later than 15 days after the submission of a budget in accordance with paragraphs (4) or (5), a joint public hearing of the commission and the governing bodies of the municipalities shall be held. The governing bodies of the municipalities to be consolidated or merged may, by agreement, modify any budget submitted by the commission. A governing body of a municipality to be consolidated or merged may approve appropriations to the commission in conformity with its share of the modified budget as determined in accordance with paragraph (7). Any unreasonable modification of the budget may be subject to an action as provided in paragraph (8) in the court of common pleas of any county wherein a municipality to be consolidated or merged lies.

(7) The municipalities to be consolidated or merged may, by agreement, determine the share that each municipality shall appropriate to fund the estimated budget of the commission. If no agreement as to the respective amount that each municipality shall appropriate is reached, each municipality shall appropriate funds equal to its pro rata share of the total estimated budget of the commission based upon its share of population to the total population of the municipalities to be consolidated or merged.

(8) The commission may bring an action in the court of common pleas of the county where a municipality is located requesting that the court determine whether the municipality has failed to reasonably modify an estimated budget or to appropriate moneys in accordance with this subsection. The court

may provide appropriate relief, including, but not limited to, ordering appropriation of funds in accordance with the budget:

(i) as submitted by the commission or as modified by the municipalities; or

(ii) as modified by the court.

(9) In all cases, the costs and fees of any action brought by the commission under this subsection shall be paid by the municipality or municipalities named as defendants.

(10) A municipality shall be entitled to a proportionate reimbursement or offset of its share of the budget by any publicly or privately contributed funds or services made available to the commission.

(m) Hearings and public forums.--A commission shall hold one or more public hearings and sponsor public forums and generally shall provide for the widest possible public information and discussion respecting the purposes and progress of its work.

(n) Report of findings and recommendations.--

(1) A commission shall report its findings and recommendations to the citizens of the proposed consolidated or merged municipalities within nine months from the date of its election, except that it shall be permitted an additional nine months if it elects to prepare and submit a proposed new home rule charter and an additional two months if it chooses to provide for the election of its governing body by districts. It shall publish or cause to be published sufficient copies of its final report for public study and information and shall deliver to the municipal clerk or secretary of each municipality proposed to be consolidated or merged sufficient copies of the report to supply it to any interested citizen upon request. If the commission recommends the adoption of a new home rule charter, the report shall contain the complete plan as recommended.

(2) There shall be attached to each copy of the report of the commission, as a part thereof, a statement sworn to by the members of the commission listing in detail the funds, goods, materials and services, both public and private, used by the commission in the performance of its work and the preparation and filing of the report and identifying specifically the supplier of each item thereon.

(3) A copy of the final report of the commission with its findings and recommendations shall be filed with the Department of Community and Economic Development.

(4) All the records, reports, tapes, minutes of meetings and written discussions of the commission shall, upon its discharge, be turned over to the municipal clerk or secretary of each municipality proposed to be consolidated or merged for permanent safekeeping and made available for public inspection at any time during regular business hours.

(o) Discharge of petition and amended reports.--

(1) A commission shall be discharged upon the filing of its report, but, if the commission's recommendations require further procedure in the form of a referendum on the part of the electors, the commission shall not be discharged until the procedure has been concluded. At any time prior to 60 days before the date of the referendum, the commission may modify or change any recommendation set forth in the final report by publishing an amended report.

(2) Whenever the commission issues an amended report pursuant to paragraph (1), the amended report shall supersede the final report, and the final report shall cease to have any legal effect.

(3) The procedure to be taken under the amended report shall be governed by the provisions of this subpart applicable

to the final report of the commission submitted pursuant to subsection (n).

(p) Types of action recommended.--A commission shall report and recommend in accordance with this section:

(1) That a referendum shall be held that submits to the electors the question of consolidating or merging the named municipalities under a new home rule charter as prepared by the commission.

(2) That no referendum shall be held because consolidation or merger of the named municipalities under a new home rule charter is not recommended by the commission.

(3) That the named municipalities consider such other action as the commission recommends and deems advisable consistent with its functions as set forth in this section.

(q) Specificity of recommendations.--

(1) If a commission recommends the adoption of a new home rule charter, it shall specify the number of members to be on the governing body, all offices to be filled by election and whether elections shall be on an at-large, district or combination district and at-large basis.

(2) Notwithstanding any other provisions of this subpart, if an approved new home rule charter adopted pursuant to the provisions of this subpart specifies that the election of the governing body should be on an at-large, district or combination district and at-large basis and the basis recommended differs from the existing basis and therefore requires the elimination of districts or the establishment of revised or new districts, then election of municipal officials shall not take place on the new basis until the municipal election following the next primary election taking place more than 180 days after the election at which the referendum on the question of a consolidation or merger and new home rule charter has been approved by the electorate. The consolidation or merger and new home rule charter shall not go into effect until the first Monday in January following the election of municipal officials on the new basis as provided in section 738 (relating to effectuation of consolidation or merger). New or revised districts shall be established by the commission and included in the proposed charter.

(r) Form of question on consolidation or merger and new home rule charter.--If a commission recommends consolidation or merger and the adoption of a new home rule charter for the municipalities to be consolidated or merged, the question to be submitted to the voters for the adoption of consolidation or merger and a new home rule charter shall be submitted in the following form or such part as shall be applicable:

Shall the municipalities of (insert names of municipalities consolidating or merging) be (insert consolidated or merged) to become (insert name of new municipality, type and class of municipality) under a new home rule charter contained in the report, dated (insert date), of the commission?

(s) Submission of question on consolidation or merger and new home rule charter.--If a commission recommends that the question of adopting consolidation or merger and a new home rule charter authorized by this subpart should be submitted to the electors, the municipal clerk or secretary of each municipality proposed to be consolidated or merged shall, within five days thereafter, certify a copy of the commission's report to the county board of elections of the county in which the municipality, or the greater portion of its territory, is located, which shall cause the question of adoption or rejection to be placed upon the ballot or voting machines at the time as the commission specifies in its report. The commission may cause the question to be submitted to the

electors at the next primary, municipal or general election occurring not less than 60 days following the filing of a copy of the commission's report with the county board of elections, at the time the commission's report directs. At the election, the question of adopting consolidation or merger and a new home rule charter recommended by the commission shall be submitted to the electors by the county board of elections in the same manner as other questions are submitted to the electors under the Pennsylvania Election Code. The commission shall frame the question to be placed upon the ballot as provided for in subsection (r) and, if it deems appropriate, an interpretative statement to accompany the question.

(t) Amendment of new home rule charter.--The procedure for amending the new home rule charter of the consolidated or merged municipality created under this subpart shall be through the initiative procedure and referendum or ordinance of the governing body as provided for in Subchapter C of Chapter 29 (relating to amendment of existing charter or optional plan).

(u) General powers and limitation of consolidated or merged municipality under new home rule charter.--Nothing in this section shall be construed as authorizing a consolidated or merged municipality adopting a new home rule charter to exercise powers not granted to a municipality adopting a home rule charter pursuant to Subpart E of Part III.

[(v) Definition.--As used in this section, the term "municipality" shall not include a county of any class.]
§ 737. Consolidation or merger agreement.

(a) Form.--Upon favorable action by the electorate on consolidation or merger, in cases where consolidation or merger was initiated by petition of electors under section 735 (relating to initiative of electors seeking consolidation or merger without new home rule charter), the governing bodies of the municipalities to be consolidated or merged shall meet [within 60 days] **as deemed necessary** after the certification of the favorable vote and shall within [a reasonable time] **one year** after certification [make] **enter into** a consolidation or merger agreement as follows:

(1) If the governing body, or part of the governing body, of the consolidated or merged municipality is to be elected on a district or ward basis, the agreement shall set forth the district or ward boundaries and the district or ward designation, by number, and the number of members of the municipal governing body to be elected from each district or ward. The boundaries of the districts or wards shall be established to achieve substantially equal representation.

(2) The agreement shall set forth terms for:

(i) The disposition of the existing assets of each municipality.

(ii) The liquidation of the existing indebtedness of each municipality.

(iii) The assumption, assignment and disposition of the existing liabilities of each municipality, either jointly, separately or in certain defined proportions, by separate rates of taxation within each of the constituent municipalities until consolidation or merger becomes effective pursuant to section 738 (relating to effectuation of consolidation or merger).

(3) The agreement shall set forth the governmental organization of the consolidated or merged municipality insofar as it concerns elected officers and shall contain a transitional plan and schedule applicable to elected officers.

(4) The agreement shall provide for common administration and uniform enforcement of ordinances within the consolidated or merged municipality.

(5) The agreement shall also provide, consistent with existing law, for the implementation of a uniform tax system throughout the consolidated or merged municipality which shall provide the revenue necessary to fund required municipal services.

(6) The agreement shall mandate full implementation of the consolidation or merger plan within four years following the date of certification.

(b) Filing.--[A] **Within 30 days following certification of electorate approval by the county boards of election, a** copy of the consolidation or merger agreement under this section or the joint agreement under section 734 (relating to joint agreement of governing bodies) [after approval by the electorate] shall be filed with the Department of Community and Economic Development, the Department of Transportation, the Governor's Office of Policy Development or its successor, the Department of Education, the State Tax Equalization Board and the Legislative Data Processing Committee. A copy shall also be filed with the court of common pleas and the board of county commissioners of the county or counties in which municipalities affected are located.

Section 2. This act shall take effect in 60 days.

APPROVED--The 27th day of October, A.D. 2010.

EDWARD G. RENDELL