

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 1151 Session of  
2011

INTRODUCED BY PICCOLA, PILEGGI, EARLL, VANCE, GORDNER, WAUGH,  
ALLOWAY, BAKER, ERICKSON, ORIE, BROWNE AND TOMLINSON,  
JUNE 17, 2011

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, JUNE 26,  
2011

## AN ACT

1 Amending the act of July 10, 1987 (P.L.246, No.47), entitled "An  
2 act empowering the Department of Community Affairs to declare  
3 certain municipalities as financially distressed; providing  
4 for the restructuring of debt of financially distressed  
5 municipalities; limiting the ability of financially  
6 distressed municipalities to obtain government funding;  
7 authorizing municipalities to participate in Federal debt  
8 adjustment actions and bankruptcy actions under certain  
9 circumstances; and providing for consolidation or merger of  
10 contiguous municipalities to relieve financial distress,"  
11 further providing FOR PURPOSE AND LEGISLATIVE INTENT AND for ←  
12 Commonwealth agency payments or assistance; providing for  
13 review of coordinator, for the establishment of a management  
14 board for distressed third class cities and for powers of  
15 management boards; prohibiting distressed third class cities  
16 from filing Federal bankruptcy petitions; and making  
17 editorial changes.

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

20 ~~Section 1. Section 251(a) of the act of July 10, 1987~~ ←  
21 ~~(P.L.246, No.47), known as the Municipalities Financial Recovery~~  
22 ~~Act, is amended and the section is amended by adding a~~  
23 ~~subsection to read:~~

24 SECTION 1. SECTION 102(B)(1) OF THE ACT OF JULY 10, 1987 ←

1 (P.L.246, NO.47), KNOWN AS THE MUNICIPALITIES FINANCIAL RECOVERY  
2 ACT, IS AMENDED AND THE SUBSECTION IS AMENDED BY ADDING A  
3 PARAGRAPH TO READ:

4 SECTION 102. PURPOSE AND LEGISLATIVE INTENT.

5 \* \* \*

6 (B) LEGISLATIVE INTENT.--

7 (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

8 (I) ENACT PROCEDURES AND PROVIDE POWERS AND  
9 GUIDELINES TO ENSURE FISCAL INTEGRITY OF MUNICIPALITIES  
10 WHILE LEAVING PRINCIPAL RESPONSIBILITY FOR CONDUCTING THE  
11 GOVERNMENTAL AFFAIRS OF A MUNICIPALITY, INCLUDING  
12 CHOOSING THE PRIORITIES FOR AND MANNER OF EXPENDITURES  
13 BASED ON AVAILABLE REVENUES, TO THE CHARGE OF ITS ELECTED  
14 OFFICIALS, CONSISTENT WITH THE PUBLIC POLICY SET FORTH IN  
15 THIS SECTION.

16 (II) ENACT PROCEDURES FOR THE ADJUSTMENT OF  
17 MUNICIPAL DEBT BY NEGOTIATED AGREEMENT WITH CREDITORS.

18 (III) PROVIDE FOR THE EXERCISE OF THE COMMONWEALTH'S  
19 SOVEREIGN AND PLENARY POLICE POWER IN EMERGENCY FISCAL  
20 CONDITIONS TO PROTECT THE HEALTH, SAFETY AND WELFARE OF A  
21 MUNICIPALITY'S CITIZENS WHEN LOCAL OFFICIALS ARE  
22 UNWILLING OR UNABLE TO ACCEPT A SOLVENCY PLAN DEVELOPED  
23 FOR THE BENEFIT OF THE COMMUNITY.

24 \* \* \*

25 (3) THE GENERAL ASSEMBLY RECOGNIZES THAT THE FINANCIAL  
26 CONDITIONS OF CERTAIN DISTRESSED MUNICIPALITIES ARE SO SEVERE  
27 AND THE POLICIES OF THOSE MUNICIPALITIES SO INEFFECTIVE THAT  
28 THE NONVIABILITY OF THOSE MUNICIPALITIES THREATENS THE FISCAL  
29 CONDITION AND CREDIT STABILITY OF OTHER COMMUNITIES. IN SUCH  
30 CASES, ADDITIONAL METHODS OF PROTECTING CITIZENS MUST BE

1 IMPLEMENTED, INCLUDING:

2 (I) INSTITUTING MORE DIRECT COMMONWEALTH OVERSIGHT  
3 PURSUANT TO THE COMMONWEALTH'S POWER TO PROVIDE FOR LOCAL  
4 GOVERNMENT UNDER ARTICLE IX OF THE CONSTITUTION OF  
5 PENNSYLVANIA AND THROUGH THE CREATION OF PUBLIC  
6 AUTHORITIES AS INSTRUMENTALITIES OF THE COMMONWEALTH.

7 (II) JUDICIAL INTERVENTION WHEN NECESSARY TO ENSURE  
8 THE COMPLIANCE OF THE DISTRESSED MUNICIPALITY WITH THE  
9 PROVISIONS OF THIS ACT.

10 SECTION 1.1. SECTION 251(A) OF THE ACT IS AMENDED AND THE  
11 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

12 Section 251. Commonwealth agency payments or assistance.

13 (a) Withholding of certain Commonwealth funds.--Except as  
14 provided in section 302(b), upon certification by the  
15 [secretary] department that a financially distressed  
16 municipality has failed to adopt a plan or implement an adopted  
17 plan as proposed under this act or has adopted a plan which is  
18 inadequate to address the municipality's financial distress, the  
19 municipality shall not receive a grant, loan, entitlement or  
20 payment from the Commonwealth or any of its agencies. Moneys  
21 withheld shall be held in escrow by the Commonwealth until the  
22 [secretary] department has rescinded the certification.

23 (a.1) Disposition of assets.--Subsection (a) shall apply to  
24 the failure of a distressed city or a management board  
25 established under section 603(a) if the city or management board  
26 fails to identify, sell, lease or otherwise dispose of assets in  
27 accordance with section 605.

28 \* \* \*

29 Section ~~1.1~~ 1.2. The act is amended by adding a section to  
30 read:



1 Section 254. Review and investigation of coordinators.

2 (a) Initial review.--The department shall conduct a review  
3 of all coordinators appointed or serving during 2010. The review  
4 under this subsection shall be conducted by October 1, 2011.  
5 Within 30 days of the completed review, the department shall  
6 determine if the coordinator has failed to develop an adequate  
7 plan or to implement the plan in an appropriate or adequate  
8 manner. If the coordinator has failed to develop or implement  
9 the plan in an appropriate or adequate manner, the department  
10 shall remove the coordinator and appoint a new coordinator.

11 (b) Additional reviews.--The department shall conduct a  
12 review of all coordinators appointed for service or serving  
13 during 2011 and each year thereafter. The review under this  
14 subsection shall be conducted by June 30. Within 30 days of the  
15 completed review, the department shall determine if the  
16 coordinator has failed to develop an adequate plan or to  
17 implement the plan in an appropriate manner. If the coordinator  
18 has failed to develop an adequate plan or to implement the plan  
19 in an appropriate manner, the department shall remove the  
20 coordinator and appoint a new coordinator.

21 (c) Investigations.--In addition to the review under  
22 subsection (a) or (b), the department shall investigate a  
23 complaint as to the failure of the coordinator to develop an  
24 adequate plan or to implement the plan in an appropriate or  
25 adequate manner. The complaint must be brought by:

26 (1) a petition from at least two members of the  
27 governing body of the municipality; or

28 (2) a petition signed by 30 residents of the  
29 municipality.

30 Section 2. The act is amended by adding a chapter to read:

1 CHAPTER 6

2 CITIES OF THE THIRD CLASS

3 Section 601. Definitions.

4 "City." A city of the third class which: ←

5 (1) has opted to be governed by a mayor council form of  
6 government under:

7 (i) the act of July 15, 1957 (P.L.901, No.399),  
8 known as the Optional Third Class City Charter Law; or

9 (ii) 53 Pa.C.S. Pt. III Subpt. E (relating to home  
10 rule and optional plan government); and

11 (2) has a population in excess of 45,000.

12 "BUSINESS WITH WHICH HE IS ASSOCIATED." THE TERM SHALL HAVE ←  
13 THE SAME MEANING AS DEFINED IN 65 PA.C.S. § 1102 (RELATING TO  
14 DEFINITIONS).

15 "CITY." A CITY OF THE THIRD CLASS WHICH HAS OPTED TO BE ←  
16 GOVERNED BY A MAYOR-COUNCIL FORM OF GOVERNMENT UNDER THE ACT OF  
17 JULY 15, 1957 (P.L.901, NO.399), KNOWN AS THE OPTIONAL THIRD  
18 CLASS CITY CHARTER LAW, AND HAS A POPULATION IN EXCESS OF  
19 45,000.

20 "Controlled authority." A municipal authority, parking  
21 authority or other authority or corporate entity which is  
22 directly or indirectly controlled by a distressed city or to  
23 which a distressed city has powers of appointment.

24 "County." The county in which a distressed city is located.

25 "Distressed city." A city which has been determined to be  
26 financially distressed under section 203(f). The term includes  
27 any controlled authority which is directly or indirectly  
28 controlled by the city or to which the city has direct or  
29 indirect power of appointment or has pledged or designated the  
30 city's revenues or the city's credit.

1 "IMMEDIATE FAMILY." THE TERM SHALL HAVE THE SAME MEANING AS ←  
2 DEFINED IN 65 PA.C.S. § 1102 (RELATING TO DEFINITIONS).

3 "Management board." The city management board.

4 Section 602. Applicability.

5 A distressed city shall be subject to the provisions of this  
6 chapter and Chapters 2 and 3. If a conflict between this chapter  
7 and any other provision of this act occurs, the provisions of  
8 this chapter shall prevail.

9 Section 603. Management board.

10 (a) Establishment.--A management board shall be established  
11 ~~if a distressed city fails to adopt or the secretary determines~~ ←  
12 ~~that the distressed city~~ IF THE SECRETARY DETERMINES THAT A ←  
13 DISTRESSED CITY HAS EITHER FAILED TO ADOPT OR has not  
14 implemented the coordinator's plan in accordance with sections  
15 245 and 247(a). A distressed city shall be deemed to have failed  
16 to adopt the coordinator's plan if it takes any action to  
17 approve an alternative plan under section 246.

18 (b) Composition.--A management board established under  
19 subsection (a) shall be comprised of the following:

20 (1) Two members appointed by the Governor, ONE OF WHOM ←  
21 MUST BE A RESIDENT OF THE DISTRESSED CITY FOR WHICH THE BOARD  
22 IS BEING APPOINTED.

23 (2) One member appointed by the board of commissioners  
24 of the county who shall be a resident of the county at the  
25 time of appointment and shall maintain county residence while  
26 a member of the board.

27 (b.1) Public officials, POLITICAL party officers; conflicts ←  
28 of interest prohibited.--

29 (1) Members of the MANAGEMENT board shall not: ←

30 (i) Seek or hold a position as any other ELECTED OR ←

1 APPOINTED public official within this Commonwealth or as  
2 a POLITICAL party officer while in the service of the ←  
3 management board.

4 (ii) Seek election as public officials or POLITICAL ←  
5 party officers for one year after their service with the  
6 management board.

7 ~~(2) Members of the board may serve as appointive public~~ ←  
8 ~~officials any time after their periods of service with the~~  
9 ~~management board.~~

10 ~~(3) (i) No member of the board may:~~

11 (2) THE FOLLOWING APPLY: ←

12 (I) NO MEMBER OF THE MANAGEMENT BOARD MAY:

13 (A) Directly or indirectly be a party to or have  
14 an interest in any contract or agreement with the ←  
15 authority or with the distressed city. THE ←  
16 PROHIBITION UNDER THIS CLAUSE SHALL EXTEND TO A  
17 MEMBER'S IMMEDIATE FAMILY OR A BUSINESS WITH WHICH HE  
18 OR A MEMBER OF HIS IMMEDIATE FAMILY IS ASSOCIATED.

19 (B) Use his office or any confidential  
20 information received through his office for the  
21 private pecuniary benefit of himself, a member of his  
22 immediate family or a business with which he or a  
23 member of his immediate family is associated.

24 (ii) Any member who willfully violates this  
25 paragraph shall forfeit his office and shall be subject  
26 to any other criminal and civil sanctions as may be  
27 imposed by law. Any contract or agreement knowingly made  
28 in contravention of this paragraph shall be void.

29 (c) Experience and residence.--

30 (1) All members and their designees shall have

1 experience in finance or management.

2 (2) All members and their designees shall be residents  
3 of this Commonwealth.

4 ~~(3) At least one member under subsection (b)(1) shall be~~ ←  
5 ~~a resident of the distressed city for which the board is~~  
6 ~~being appointed.~~

7 (d) Term.--Members shall be appointed within seven days of  
8 ~~the A determination by the department that the requirements of~~ ←  
9 ~~subsection (a) have occurred~~ SECRETARY UNDER SUBSECTION (A). ←

10 Members shall select a chairperson who shall serve for a term of  
11 two years. Members appointed by the Governor shall have a term  
12 coterminous with the appointing authority. A member appointed by  
13 the county commissioners shall have a term coterminous with the  
14 chairman of the board of commissioners. If a vacancy occurs, the  
15 appointing authority who originally appointed the management  
16 board member whose seat has become vacant shall appoint a  
17 successor member within 30 days of the vacancy. A member  
18 appointed to fill a vacancy occurring prior to the expiration of  
19 a term shall serve the unexpired term.

20 (e) Organization.--

21 (1) The Governor shall set a date, time and place for  
22 the initial ~~organization~~ ORGANIZATIONAL meeting of the ←  
23 management board within five days of the appointment of the  
24 members of the management board. The initial organizational  
25 meeting shall be held within 15 days of the appointment under  
26 subsection (d).

27 (2) Members shall elect other officers as they deem  
28 necessary.

29 (f) Meetings.--Following the initial organizational meeting,  
30 the management board shall meet as frequently as it deems



1 appropriate but at least once during each quarter of the fiscal  
2 year. A meeting of the management board shall be called by the  
3 chairperson if a request for a meeting is submitted by the other  
4 two members of the management board. A majority of the  
5 management board shall constitute a quorum. All actions of the  
6 management board shall be taken by a majority of the management  
7 board. The following statutes shall apply to the management  
8 board:

9 (1) 65 Pa.C.S. Chs. 7 (relating to open meetings) and 11  
10 (relating to ethics standards and financial disclosure).

11 (2) The act of July 19, 1957 (P.L.1017, No.451), known  
12 as the State Adverse Interest Act.

13 (3) The act of February 14, 2008 (P.L.6, No.3), known as  
14 the Right-to-Know Law.

15 (g) Expenses.--A member shall not receive compensation or  
16 remuneration but shall be entitled to reimbursement for all  
17 reasonable and necessary expenses.

18 (h) Employees.--The department shall provide administrative  
19 and other support to the management board. The management board  
20 may contract for or receive the loan of services of other  
21 individuals employed by other government agencies.

22 (i) Commonwealth agency.--A management board established  
23 under this chapter shall constitute a public authority and  
24 instrumentality of the Commonwealth, exercising the powers of  
25 the Commonwealth. The exercise of the powers of the management  
26 board shall be deemed to be an essential government function.

27 (j) Sovereign immunity.--Members of the MANAGEMENT board ←  
28 shall not be liable personally for any obligations of the  
29 management board. It is declared to be the intent of the General  
30 Assembly that the MANAGEMENT board and its members shall enjoy ←

1 sovereign and official immunity as provided in 1 Pa.C.S. § 2310  
2 (relating to sovereign immunity reaffirmed; specific waiver) and  
3 shall remain immune from suit except as provided by and subject  
4 to the provisions of 42 Pa.C.S. Ch. 85 Subchs. A (relating to  
5 general provisions) and B (relating to actions against  
6 Commonwealth parties).

7 (K) TERM OF EXISTENCE.-- ←

8 (1) THE MANAGEMENT BOARD SHALL EXIST FOR AN INITIAL TERM  
9 OF AT LEAST SEVEN YEARS. THE MANAGEMENT BOARD SHALL BE  
10 RENEWED FOR SEVEN-YEAR TERMS BY THE DEPARTMENT UNLESS:

11 (I) THE CITY HAS MAINTAINED A SURPLUS OVER A THREE-  
12 YEAR PERIOD AND THE CITY'S REVENUES HAVE EXCEEDED  
13 EXPENDITURES FOR A PERIOD OF AT LEAST THREE-YEARS; OR

14 (II) THE DEPARTMENT DETERMINES THAT THE CITY HAS  
15 IMPLEMENTED THE COORDINATOR'S PLAN.

16 (2) UPON TERMINATION OF THE MANAGEMENT BOARD, RECORDS  
17 AND DOCUMENTS OF THE BOARD SHALL BE TRANSFERRED TO THE  
18 DIRECTOR OF FINANCE OF THE CITY. WITHIN 60 DAYS OF  
19 TERMINATION, THE MANAGEMENT BOARD SHALL SUBMIT A FINAL REPORT  
20 ON ITS ACTIVITIES AND THE CITY'S FISCAL CONDITION TO THE  
21 GOVERNOR, THE SECRETARY OF THE SENATE AND THE CHIEF CLERK OF  
22 THE HOUSE OF REPRESENTATIVES.

23 Section 604. Powers and duties.

24 Notwithstanding any other provision of law, the management  
25 board shall have the following powers and duties:

26 (1) To REQUIRE THE DISTRESSED CITY TO implement the ←  
27 coordinator's plan.

28 (2) To REQUIRE THE COORDINATOR TO make changes to the ←  
29 coordinator's plan as necessary to achieve financial  
30 stability of the distressed city.

1           (3) To REQUIRE THE DISTRESSED CITY TO negotiate ←  
2 intergovernmental cooperation agreements between the  
3 distressed city and other political subdivisions in order to  
4 eliminate and avoid deficits, maintain sound budgetary  
5 practices and avoid interruption of municipal services.

6           (4) To make annual reports for submission to the  
7 department within 120 days after the close of the distressed  
8 city's fiscal year.

9           (5) To ~~have all powers necessary or appropriate~~ REQUIRE ←  
10 THE DISTRESSED CITY to cause the sale, lease or other  
11 disposition of the distressed city's assets under section  
12 605.

13           ~~(6) If necessary to implement the coordinator's plan, to~~ ←  
14 ~~exercise all of the powers and authority of the distressed~~  
15 ~~city and its elected officials in the management of the~~  
16 ~~distressed city's financial affairs.~~

17           ~~(7) (6) To approve or disapprove THE EXECUTION OF~~ ←  
18 ~~contracts and agreements BY THE DISTRESSED CITY in accordance~~ ←  
19 ~~with section 606(a)(2).~~

20           (7) TO DIRECT THE DISTRESSED CITY TO TAKE ANY OTHER ←  
21 ACTION TO IMPLEMENT THE COORDINATOR'S PLAN.

22 Section 605. Sale of assets.

23           (a) Authority.--The management board shall have the  
24 authority to determine that it is in the best financial  
25 interests of the distressed city to sell, lease or dispose of  
26 assets determined by the management board to be nonessential and  
27 owned by the distressed city ~~or a controlled authority.~~ ←

28           (b) Sale, lease or other disposition.--The management board  
29 shall:

30           (1) Identify appropriate assets for sale, lease or other

1 disposition and direct the appropriate officials of the  
2 distressed city ~~or controlled authority~~ to take all action ←  
3 necessary or appropriate for the consummation of the sale,  
4 lease or other disposition of assets.

5 (2) ~~Direct the sale, lease or other disposal of assets~~ ←  
6 DISTRESSED CITY TO SELL, LEASE OR OTHERWISE DISPOSE OF ASSETS ←  
7 in conformity with all applicable competitive bidding  
8 requirements.

9 (3) ~~Undertake~~ DIRECT THE DISTRESSED CITY TO UNDERTAKE a ←  
10 competitive bidding process, determine the winning bidder and  
11 enter into an agreement of sale, lease or other disposition  
12 with the winning bidder.

13 (4) ~~Take~~ DIRECT THE DISTRESSED CITY TO TAKE all action ←  
14 necessary to complete the sale, lease or disposition of the  
15 assets.

16 (c) ~~Approval. The approval of the governing body or chief~~ ←  
17 ~~executive officer of the distressed city or controlled authority~~  
18 ~~shall not be required to complete a sale, lease or other~~  
19 ~~disposition under this section.~~

20 (5) DIRECT THE DISTRESSED CITY TO TAKE ALL ACTION ←  
21 NECESSARY TO COMPLETE ANY PENDING AGREEMENT FOR THE SALE,  
22 LEASE OR DISPOSITION OF THE ASSETS, SUBJECT TO APPROVAL BY  
23 THE MANAGEMENT BOARD.

24 (d) (C) Proceeds.--The proceeds of the sale, lease or other ←  
25 disposition of assets of a distressed city ~~or controlled~~ ←  
26 authority shall be applied to the payment of any unpaid debt  
27 obligations owed by the distressed city, as determined by the  
28 management board. Any proceeds remaining after the payment of  
29 these obligations shall be applied at the discretion of the  
30 management board to restructure or to provide escrow for the

1 payment of the distressed city's future debt obligations.

2 ~~(e) Enforcement. Notwithstanding any other provision of~~ ←  
3 ~~law, the management board may, if necessary to implement the~~  
4 ~~coordinator's plan, exercise all the powers and authority of the~~  
5 ~~distressed city and its elected officials in the management of~~  
6 ~~the distressed city's financial affairs and the implementation~~  
7 ~~of the coordinator's plan, including the power and authority to~~  
8 ~~sell, lease or otherwise dispose of the distressed city's assets~~  
9 ~~under this section. The management board may direct the~~  
10 ~~officials of the distressed city or controlled authority to~~  
11 ~~perform any act deemed necessary by the board to properly manage~~  
12 ~~the distressed city's financial affairs and implement the~~  
13 ~~coordinator's plan. The management board's directives may be~~  
14 ~~enforced by order of mandamus in the court of common pleas where~~  
15 ~~the distressed city is situated.~~

16 (D) ENFORCEMENT.--NOTWITHSTANDING ANY OTHER PROVISION OF ←  
17 LAW, IF THE DISTRESSED CITY FAILS TO IMPLEMENT THE COORDINATOR'S  
18 PLAN AS DIRECTED BY THE MANAGEMENT BOARD, THE MANAGEMENT BOARD  
19 MAY TAKE ANY ACTION NECESSARY TO IMPLEMENT THE COORDINATOR'S  
20 PLAN. THE MANAGEMENT BOARD MAY ISSUE WRITTEN DIRECTIVES TO THE  
21 OFFICIALS OF THE DISTRESSED CITY REQUIRING THEM TO PERFORM ANY  
22 ACT DEEMED NECESSARY BY THE MANAGEMENT BOARD TO PROPERLY MANAGE  
23 THE DISTRESSED CITY'S FINANCIAL AFFAIRS AND TO IMPLEMENT THE  
24 COORDINATOR'S PLAN. THE MANAGEMENT BOARD MAY BRING AN ACTION IN  
25 MANDAMUS IN THE COURT OF COMMON PLEAS WHERE THE DISTRESSED CITY  
26 IS SITUATED TO COMPEL COMPLIANCE WITH ITS DIRECTIVES. THE COURT  
27 SHALL GRANT THE PETITION FOR MANDAMUS IF THE COURT FINDS THAT  
28 THE DISTRESSED CITY HAS FAILED TO ABIDE BY ANY OF THE WRITTEN  
29 DIRECTIVES OF THE MANAGEMENT BOARD.

30 ~~(f) (E) Removal.--If a management board determines that a~~ ←

1 controlled authority is not taking the action necessary to sell,  
2 lease or dispose of assets, the management board may remove the  
3 board members of the controlled authority and appoint new board  
4 members OF THE CONTROLLED AUTHORITY.

←

5 Section 606. Effect on contracts.

←

6 (a) Contracts and collective bargaining agreements.

7 (1) A contract or collective bargaining agreement in  
8 existence in a distressed city prior to the approval of a  
9 coordinator's plan or the establishment of a management board  
10 shall remain in effect after approval of the plan until the  
11 contract or agreement expires.

12 (2) Following approval of the coordinator's plan, a  
13 distressed city shall execute contracts and collective  
14 bargaining agreements in compliance with the plan. If a  
15 management board has been appointed, the distressed city  
16 shall execute contracts and agreements only with the approval  
17 of the management board.

18 (b) Arbitration. Following approval of the coordinator's  
19 plan or the appointment of a management board, a determination  
20 of a board of arbitration established under the act of June 24,  
21 1968 (P.L.237, No.111), referred to as the Policemen and Firemen  
22 Collective Bargaining Act, providing for an increase in wages or  
23 fringe benefits of any employee of a distressed city shall, in  
24 addition to considering any standard or factor required to be  
25 considered by law, take into consideration and accord  
26 substantial weight to:

27 (1) The coordinator's plan or the determination of the  
28 management board.

29 (2) Relevant market factors, such as the financial  
30 situation of the distressed city, inflation, productivity,

~~size of work force and pay and benefit levels in economically and demographically comparable political subdivisions.~~

~~(c) Determination. A determination shall be in writing and a copy shall be forwarded to each party to the dispute and to the board of arbitration. A determination of the board of arbitration which provides for an increase in wages or fringe benefits of an employee of an assisted city shall state with specificity in writing all factors which the board of arbitration took into account in considering and giving substantial weight to the factors referred to under subsection (b) (1).~~

~~(d) Parties. A party to a proceeding before a board of arbitration or the management board may appeal to the court of common pleas to review:~~

~~(1) Consideration under subsection (b) (1).~~

~~(2) Failure of the board of arbitration to issue a determination under subsection (c).~~

~~(e) Appeal. An appeal under subsection (d) must be commenced not later than 30 days after the issuance of a final determination by the board of arbitration.~~

~~(f) Decision. The decision of the board of arbitration shall be vacated and remanded to the board of arbitration if the court finds:~~

~~(1) That the board of arbitration failed to take into consideration and accord substantial weight to the factors referred to under subsection (b).~~

~~(2) That the board of arbitration has failed to issue a determination under subsection (c).~~

~~(g) Proposed revision. If, after exhaustion of all appeals, the final arbitration award is not in compliance with the~~

1 ~~approved coordinator's plan or is unacceptable to the management~~  
2 ~~board, the award shall be void.~~

3 ~~Section 607 606. Limitation on bankruptcy.~~ ←

4 Notwithstanding any other provision of law, including section  
5 261, no distressed city may file a petition for relief under 11  
6 U.S.C. Ch. 9 (relating to adjustment of debts of a municipality)  
7 or any other Federal bankruptcy law, and no government agency  
8 may authorize the distressed city to become a debtor under 11  
9 U.S.C. Ch. 9 or any other Federal bankruptcy law.

10 Section 3. The heading of Chapter 6 and section 601 of the  
11 act are renumbered to read:

12 CHAPTER [6] 20

13 TECHNICAL PROVISIONS

14 Section [601] 2001. Repeals.

15 Section 2501-C(e) and (f) of the act of April 9, 1929  
16 (P.L.177, No.175), known as The Administrative Code of 1929, are  
17 repealed insofar as they are inconsistent with this act.

18 The act of June 11, 1935 (P.L.323, No.146), entitled "An act  
19 designating the Department of Internal Affairs as the agency of  
20 the Commonwealth to approve or disapprove petitions to courts,  
21 and plans for the readjustment of debts of political  
22 subdivisions, under the act of Congress relating to the  
23 bankruptcy of political subdivisions; and defining the powers  
24 and duties of said department in relation thereto," is repealed  
25 insofar as it relates to a municipality as defined in section  
26 103 of this act.

27 Section 4. Section 602 of the act, amended December 19, 1988  
28 (P.L.1272, No.157), is renumbered to read:

29 Section [602] 2002. Expiration.

30 Section 203(a) (5) shall expire upon publication in the



1 Pennsylvania Bulletin of the notice required under section  
2 121(f).

3 Section 5. Section 603 of the act is renumbered to read:  
4 Section [603] 2003. Effective date.

5 This act shall take effect in 60 days.

6 Section 6. The provisions of this act are severable. If any  
7 provision of this act or its application to any person or  
8 circumstance is held invalid, the invalidity shall not affect  
9 other provisions or applications of this act which can be given  
10 effect without the invalid provision or application.

11 Section 7. This act shall take effect immediately.