

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1321 Session of 2011

INTRODUCED BY EARLL, SCHWANK, EICHELBERGER, YAW, VANCE, SMUCKER,
BLAKE, FOLMER, PICCOLA, ROBBINS AND FONTANA, OCTOBER 31, 2011

REFERRED TO LOCAL GOVERNMENT, OCTOBER 31, 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," in
11 coordination plans, further providing for collective
12 bargaining; in consolidation and merger, further providing
13 for collective bargaining; in financial distress for third
14 class cities, further providing for consent decrees; and, in
15 receivership for third class cities, further providing for
16 confirmation.

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

19 Section 1. Sections 252 and 408 of the act of July 10, 1987
20 (P.L.246, No.47), known as the Municipalities Financial Recovery
21 Act, are amended to read:

22 Section 252. Plan not affected by certain collective bargaining
23 [agreements or settlements] matters.

24 A collective bargaining agreement, contract or [arbitration]
25 settlement executed, and a collective bargaining arbitration

1 award rendered, after the adoption of a plan shall not in any
2 manner violate, expand or diminish its provisions.

3 Section 408. Collective bargaining [agreements] matters;
4 furlough of employees; disputes.

5 (a) Collective bargaining agreements, contracts,
6 [agreements] settlements or arbitration awards.--A collective
7 bargaining agreement [or], contract or settlement in existence
8 in a municipality or an arbitration award in effect in a
9 municipality prior to a consolidation or merger shall remain
10 effective after consolidation or merger until [the contract,
11 agreements or awards expire. After the expiration of the
12 contracts, agreements or awards, a] it expires. A subsequent
13 collective bargaining agreement, settlement, contract or
14 arbitration award shall not [impair the implementation] in any
15 manner violate, expand or diminish the provisions of a plan
16 adopted pursuant to this act.

17 (b) Reduction in existing work force.--Subsequent to
18 consolidation or merger, the consolidated or merged municipality
19 may, in accordance with existing collective bargaining
20 agreements, contracts, settlements or arbitration award
21 provisions, and consistent with applicable laws, reduce the
22 number of uniformed and nonuniformed employees to avoid
23 overstaffing and duplication of positions in the consolidated or
24 merged municipality. If a consolidated or merged municipality
25 determines in its discretion that it is necessary to increase
26 the number of uniformed or nonuniformed employees, employees of
27 the constituent municipalities shall be reinstated in the order
28 of their seniority if they had been previously furloughed.

29 (c) Disputes.--The Pennsylvania Labor Relations Board shall
30 have jurisdiction to determine labor disputes or controversies,

1 except those arising out of interpretation or construction of a
2 collective bargaining agreement containing provision for binding
3 arbitration, between the consolidated or merged municipality and
4 its employees.

5 [(d) Effect on existing law.--Nothing in this section shall
6 prohibit a consolidated or merged municipality from exercising
7 its powers and responsibilities pursuant to provisions of law
8 related to collective bargaining, including, but not limited to,
9 the act of June 24, 1968 (P.L.237, No.111), referred to as the
10 Policemen and Firemen Collective Bargaining Act, and the act of
11 July 23, 1970 (P.L.563, No.195), known as the Public Employee
12 Relations Act.]

13 Section 2. Sections 607(f) and 704 of the act, added October
14 20, 2011 (P.L.318, No.79), are amended to read:

15 Section 607. Consent agreement.

16 * * *

17 (f) Collective bargaining.--A collective bargaining
18 agreement, contract or [arbitration] settlement executed, and a
19 collective bargaining arbitration award rendered, following
20 enactment of an ordinance under this section may not in any
21 manner violate, expand or diminish the provisions of the consent
22 agreement.

23 Section 704. Confirmation.

24 (a) Effect of confirmation.--The confirmation of the
25 recovery plan and any modification to the receiver's plan under
26 section 703 shall have the effect of:

27 (1) imposing on the elected and appointed officials of
28 the distressed city or an authority a mandatory duty to
29 undertake the acts set forth in the recovery plan;

30 (2) suspending the authority of the elected and

1 appointed officials of the distressed city or an authority to
2 exercise power on behalf of the distressed city or authority
3 pursuant to law, charter, ordinance, rule or regulation to
4 the extent that the power would interfere with the powers
5 granted to the receiver or the goals of the recovery plan;
6 and

7 (3) superseding the emergency action plan developed by
8 the secretary under section 602.

9 (b) Form of government.--Confirmation of the recovery plan
10 and any modification to the plan under section 703 shall not be
11 construed to:

12 (1) change the form of government of the distressed city
13 or an authority; or

14 (2) except as set forth in subsection (a), affect powers
15 and duties of elected and appointed officials of the
16 distressed city or an authority.

17 (c) Collective bargaining.--A collective bargaining
18 agreement, contract or [arbitration] settlement executed, and a
19 collective bargaining arbitration award rendered, after
20 confirmation of a recovery plan may not in any manner violate,
21 expand or diminish the provisions of the recovery plan.

22 Section 3. This act shall take effect in 60 days.