

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2339 Session of 2014

INTRODUCED BY TAYLOR, NEILSON AND W. KELLER, JUNE 13, 2014

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JUNE 13, 2014

AN ACT

1 Amending the act of June 5, 1991 (P.L.9, No.6), entitled "An act  
2 providing for the financial stability of cities of the first  
3 class; establishing an authority empowered to assist cities  
4 of the first class in their financial affairs and to issue  
5 findings and recommendations to cities of the first class and  
6 to the General Assembly; creating the authority and providing  
7 for its powers and duties; authorizing each city of the first  
8 class and the authority to enter into intergovernmental  
9 cooperation agreements and specifying certain terms of such  
10 agreements and ordinances whereby cities of the first class  
11 enter into such agreements; empowering the authority to incur  
12 indebtedness, receive revenues, acquire the obligations of  
13 assisted cities, make loans and offer other financial  
14 assistance to such cities subject to conditions; establishing  
15 procedures for the preparation and review of financial plans  
16 of cities of the first class while bonds of the authority are  
17 outstanding and providing remedies for failure to adhere to  
18 such plans; requiring certain contracts to be consistent with  
19 the financial plan; making certain provisions with respect to  
20 short-term borrowing by cities of the first class;  
21 establishing procedures for handling authority funds, and  
22 providing for certain payments to the authority; providing  
23 security for bonds and notes issued by the authority;  
24 authorizing the creation of a debt service reserve fund and  
25 providing for its maintenance; granting to the holders of the  
26 authority's indebtedness and to the authority certain  
27 remedies in the event of default by the authority or by an  
28 assisted city on authorized obligations; authorizing cities  
29 of the first class to receive financial assistance from the  
30 authority under certain terms and conditions; establishing  
31 the method for the appointment and composition of the  
32 authority board; prohibiting the authority and assisted  
33 cities from filing a petition under Federal bankruptcy  
34 statutes; authorizing an appropriation for authority  
35 operating expenses; authorizing cities of the first class to

1 impose an optional sales and use tax; authorizing cities of  
2 the first class to impose certain taxes for the authority;  
3 authorizing emergency payment deferral; and providing  
4 jurisdiction for challenges to this act," repealing a  
5 provision concerning the effect of an assisted city's  
6 financial plan on arbitration awards.

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

9 Section 1. Section 209(k) of the act of June 5, 1991 (P.L.9,  
10 No.6), known as the Pennsylvania Intergovernmental Cooperation  
11 Authority Act for Cities of the First Class, repealed December  
12 30, 2002 (P.L.2001, No.230), repeal declared unconstitutional  
13 838 A.2d 566 (Pa. 2003), is repealed to read:

14 Section 209. Financial plan of an assisted city.

15 \* \* \*

16 [(k) Effect of plan upon certain arbitration awards.--

17 (1) After the approval by the authority of a financial  
18 plan submitted pursuant to this section, any determination of  
19 a board of arbitration established pursuant to the provisions  
20 of the act of June 24, 1968 (P.L.237, No.111), referred to as  
21 the Policemen and Firemen Collective Bargaining Act,  
22 providing for an increase in wages or fringe benefits of any  
23 employee of an assisted city under the plan, in addition to  
24 considering any standard or factor required to be considered  
25 by applicable law, shall take into consideration and accord  
26 substantial weight to:

27 (i) the approved financial plan; and

28 (ii) the financial ability of the assisted city to  
29 pay the cost of such increase in wages or fringe benefits  
30 without adversely affecting levels of service.

31 (2) Such determination shall be in writing, and a copy  
32 thereof shall be forwarded to each party to the dispute and  
33 the authority. Any determination of the board of arbitration

1       which provides for an increase in wages or fringe benefits of  
2       any employee of an assisted city shall state with specificity  
3       in writing all factors which the board of arbitration took  
4       into account in considering and giving substantial weight to:

5               (i)   the approved financial plan of the assisted  
6       city; and

7               (ii)   the assisted city's financial ability to pay  
8       the cost of such increase.

9       (3)   (i)   Any party to a proceeding before a board of  
10      arbitration may appeal to the court of common pleas to  
11      review:

12               (A)   the consideration of the assisted city's  
13      financial plan;

14               (B)   the determination as to the assisted city's  
15      financial ability to pay; or

16               (C)   the failure of the board of arbitration to  
17      issue a determination, including a detailed writing  
18      of all factors which the board of arbitration took  
19      into account in considering and giving substantial  
20      weight to the assisted city's financial ability to  
21      pay and the assisted city's financial plan.

22               (ii)   The decision of the board of arbitration shall  
23      be vacated and remanded to the board of arbitration if  
24      the court finds:

25               (A)   that the board of arbitration failed to take  
26      into consideration and accord substantial weight to  
27      the approved financial plan;

28               (B)   that the board of arbitration's  
29      determination as to the assisted city's financial  
30      ability to pay is not supported by substantial

1 evidence as produced by the parties to the  
2 proceedings before the board of arbitration; or

3 (C) that the board of arbitration has failed to  
4 state with specificity in writing the factors which  
5 it took into account in considering and giving  
6 substantial weight to the assisted city's financial  
7 ability to pay or the assisted city's approved  
8 financial plan.

9 (iii) Such appeal shall be commenced not later than  
10 30 days after the issuance of a final determination by  
11 the board of arbitration.

12 (iv) If, after the exhaustion of all appeals, the  
13 final arbitration award is not in compliance with the  
14 approved financial plan, the award shall not be void or  
15 voidable solely by reason of such noncompliance, but the  
16 assisted city shall submit to the authority a proposed  
17 revision to the plan which demonstrates that revenues  
18 sufficient to pay the costs of the award will be  
19 available in the affected fiscal years of the plan.]

20 Section 2. This act shall take effect immediately.