

House Local Government Committee

2015-16

End of Session Report



HONORABLE KATE HARPER, MAJORITY CHAIR

CHAIRMAN'S REPORT



House Local Government Committee 2015-16 Legislative Session

Honorable Kate Harper, Republican Chair



Committee Activity Summary

Pennsylvania is home to more than 4,500 local government units, including counties, cities, boroughs, townships, school districts, authorities and one incorporated town. The House Local Government Committee works to address the many issues and concerns facing these entities, including local taxation and assessment laws, municipal pensions, powers and duties of local officials, and more. The ultimate goal is to work together to ensure the safety and prosperity of Pennsylvania citizens and our communities.

During the 2015-16 Legislative Session, the committee took on issues ranging from municipal investments to property maintenance to storm water management. The committee worked closely with the nonpartisan Local Government Commission, which served as the source of several bills designed to streamline local government codes and bring them into alignment with the Constitution. Over the course of the two-year session, the Local Government Committee met 16 times and reported out 49 different pieces of legislation. Of the 49 pieces of legislation reported out of committee, 18 of them were signed into law.

Among the measures signed into law is one to help encourage local investment by allowing municipalities an expanded number of investment options, including low-risk treasury bonds and mutual funds. Other new laws consolidate the Third Class City Code into Title 11, which was the result of multiple sessions of work, and provide a funding stream to second class townships to help pay for storm water management projects.

This session the Local Government Committee also had a number of bills signed into law that cleaned up various provisions in the different municipal codes. This session the committee formalized municipal property maintenance ordinances, updated the elected official removal processes, and clarified how special tax levies are to be calculated after a countywide reassessment.

Bills Referred to Committee: 111

Bills Reported Out of Committee: 49

Bills Enacted into Law: 18

Resolutions Referred to Committee: 0

Committee Voting Meetings: 16

Public Hearings: 2

Bills Enacted Into Law

MUNICIPALITIES PLANNING CODE

Act 42 of 2015 (House Bill 43 – Grell): Amends the Municipalities Planning Code to allow up to three residents of the municipality to serve as alternate members on the planning commission. This will help communities prevent backlogs by helping to ensure consistent quorums to conduct business.

COUNTY PENSION LAW

Act 63 of 2015 (House Bill 239 – Greiner): Clarifies that any cost-of-living adjustment (COLA) made by a County Retirement Board need not be retroactive to the last granted COLA; requires the board to have an actuarial note prepared before considering a COLA; and requires the pension be at least 80 percent funded.

THE COUNTY CODE

Act 107 of 2016 (Senate Bill 1038 – White): Adds the president judge of the Court of Common Pleas to serve on the Juvenile Detention Board of third-class counties.

Act 155 of 2016 (Senate Bill 898 – Hutchinson): Expands anti-windfall provisions to cover any special tax created through referendum in second-class counties. Currently, if the outcome of a countywide reassessment of real property will result in an increase in the revenues collected from the enacted tax rates, then the governing body of the political subdivision levying the tax must decrease the rate of tax to a rate that would be revenue neutral as compared to the previous year before any further action is taken on the tax. Thereafter, the governing body is permitted to increase the tax rate by up to 10 percent, thus limiting the “windfall” of revenue following a reassessment to 10 percent. The new law clarifies each tax must be made revenue neutral after a countywide reassessment, resolving any contention that multiple tax rates can be adjusted differently so long as total revenue neutrality was the final outcome.

Act 156 of 2016 (Senate Bill 899 – Hutchinson): Expands anti-windfall provisions to cover any special tax created through referendum in the Consolidated County Assessment Law. Currently, if the outcome of a countywide reassessment of real property will result in an increase in the revenues collected from the enacted tax rates, then the governing body of the political subdivision levying the tax must decrease the rate of tax to a rate that would be revenue neutral as compared to the previous year before any further action is taken on the tax. Thereafter, the governing body is permitted to increase the tax rate by up to 10 percent, thus limiting the “windfall” of revenue following a reassessment to 10 percent. The new law clarifies each tax must be made revenue neutral after a countywide reassessment, resolving any contention that multiple tax rates can be adjusted differently so long as total revenue neutrality was the final outcome.

LOCAL TAX COLLECTION LAW

Act 48 of 2015 (House Bill 823 – Greiner): Updates the local tax collection law to clarify basic and continuing education programs for tax collectors, as well as criminal history records, and to address bonds of tax collectors and deputy tax collectors.

FIRST CLASS TOWNSHIP CODE

Act 51 of 2015 (House Bill 904 – Gingrich): Updates property maintenance codes in the First Class Township Code.

Act 52 of 2015 (House Bill 906 – Harper): Clarifies the methods by which township officers may be removed from office in first-class townships. Specifically, it removes a section of the law to allow removal by a county Court of Common Pleas upon complaint by electors and instead states an official can be removed from office only by impeachment, by the governor for reasonable cause after due notice and full hearing on the advice of two-thirds of the Senate, upon conviction of misbehavior in office or upon conviction of any infamous crime.

SECOND CLASS TOWNSHIP CODE

Act 68 of 2015 (Senate Bill 791 – Eichelberger): Clarifies the methods by which township officers may be removed from office in second-class townships. Specifically, it removes a section of the law to allow removal by a county Court of Common Pleas upon complaint by electors and instead states an official can be removed from office only by impeachment, by the governor for reasonable cause after due notice and full hearing on the advice of two-thirds of the Senate, upon conviction of misbehavior in office or upon conviction of any infamous crime.

Act 69 of 2015 (Senate Bill 793 – Hutchinson): Updates property maintenance codes in the Second Class Township Code.

Act 14 of 2016 (Senate Bill 526 – Gordner): Updates annual reporting requirements in second-class townships.

Act 62 of 2016 (House Bill 1325 – Mustio): Gives townships the authority to implement storm water management ordinances and to assess a fee to fund the planning, management, implementation, construction and maintenance of storm water facilities.

THIRD CLASS CITY CODE

Act 67 of 2015 (Senate Bill 775 – Eichelberger): Consolidates the Third Class City Code.

REAL ESTATE TAX SALE LAW

Act 77 of 2015 (House Bill 909 – Ross): Provides that a county tax claims bureau may recover certain costs related to the rehabilitation and maintenance of properties not sold at an upset sale, prior to any distribution from a subsequent sale.

Act 85 of 2016 (House Bill 907 – Ross): Establishes standardized requirements for posting tax delinquent property prior to a potential or actual sale of the property.

OTHER LAWS

Act 53 of 2015 (House Bill 910 – Harper): Clarifies the methods by which a town council member may be removed from office in an incorporated town. Specifically, it removes a section of the law to allow removal by a county Court of Common Pleas upon complaint by electors and instead states an official can be removed from office only by impeachment, by the governor for reasonable cause after due notice and full hearing on the advice of two-thirds of the Senate, upon conviction of misbehavior in office or upon conviction of any infamous crime.

Act 10 of 2016 (House Bill 1296 – Harper): Gives local government entities the ability to invest in common, high-quality money market instruments, such as repurchase agreements, commercial paper, negotiable certificates of deposit and bankers' acceptances.

Act 85 of 2016 (House Bill 1605 – James): Creates a formal process for the distribution of funding for designated Heritage Areas.

Public Hearings

The Local Government Committee conducted two public hearings during the 2015-16 Legislative Session.

Student Housing

On July 20, 2015, the Local Government Committee held a hearing in West Chester to discuss local housing ordinances and their impact on student housing. The committee heard testimony from representatives of various communities across the state that host colleges and from groups of landlords who provide housing to the students.

The focus of the testimony was House Bill 809 (Helm) that would restrict a municipality's ability to enact ordinances that specifically target student housing by prohibiting ordinances that targeted a renter's enrollment status or ordinances that limited the number of unrelated individuals sharing a property.

Both sides presented compelling arguments for and against the legislation, citing statistics showing that college neighborhoods require increased policing and other increased services while also pointing out that poorly written ordinances can end up forcing landlords to knowingly break the law by setting a threshold so low that it is impossible to comply with.

Municipal Pensions

On Oct. 1, 2015, the Local Government Committee and the Urban Affairs Committee held a joint hearing in King of Prussia to discuss legislation that would address municipal pensions and help stabilize the funding issues that many municipalities are having with their pension plans.

The committees heard from a number of different testifiers including the Public Employee's Retirement Commission, the Fraternal Order of Police and representatives of various municipalities across the state. These groups focused their testimony on two pieces of legislation, House Bill 32 (Grell) and House Bill 974 (Petri), which would have revamped the benefits offered to police officers and established a mandatory procedure for the sale or lease of assets to cover portions of the unfunded liability for pension plans that are severely distressed.



Local Government Committee Members

2015-2016 Legislative Session



Kate Harper
Majority Chair



Frank Farry



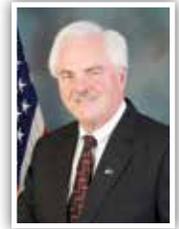
Mindy Fee



Keith Greiner



Rich Irvin



R. Lee James



David Maloney



John McGinnis



Brett Miller



Chris Quinn



Jack Rader



Tarah Toohil



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Patty Kim



Tim Mahoney



Joanna McClinton



Daniel McNeill



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