



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1935

PRINTERS NO. 2210

PRIME SPONSOR: White

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
Pennsylvania Intergovernmental Cooperation Authority Funds	\$0	\$0
First Class City Funds	\$0	\$0

SUMMARY: Renews the authorization of the Pennsylvania Intergovernmental Cooperation Authority (PICA) Act for Cities of the First Class. PICA works with the City of Philadelphia to ensure the fiscal stability and balanced budgets for a City of the First Class. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends Act 6 of 1991, known as the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class and makes the following changes:

Legislative Intent: The Act is amended to state that the General Assembly wishes to maintain and enhance the budgetary and fiscal planning that the Authority has fostered since its creation, as well as ensuring that a fiscal emergency never happens again.

Legislative Findings: This legislation amends Act 6 to declare that the use of the tools provided to a City of the First Class under the Act have been successful and should continue to be used, particularly when it comes to meeting the infrastructure and capital needs of a city of the first class.

Powers and Duties: The Act is amended to clarify that PICA has the authority to review budget and fiscal affairs of the City, in accordance with the City's Home Rule Charter.

Annual Submission of a 5-Year Financial Plan and Revisions to the Plan: The Act is amended to clarify that so long as the Authority is in existence, these plans are required to be submitted and shall be revised on an annual basis.

Terms of Existence of the Authority: Under the legislation, the Authority shall be in existence until January 2, 2047, or until all outstanding debts and/or liabilities of the Authority have been fully discharged.

Limitations on Bankruptcy Filings: This legislation clarifies that bankruptcy filings by the Authority or the City are prohibited while the Authority is in existence.

Time for Issuance of Bonds: The language removes old dates and revises bond requirement provisions for capital projects to provide that bonds may only be issued beginning on each successive 10-year anniversary of issuance, providing that series of such bonds may be issued during the first three years after initial issuance and during the first three years of each 10-year timeframe that begins on the 10th anniversary of initial issuance.

Duration of Tax: The Act is amended to clarify that any tax imposed under this chapter shall continue as long as the Authority is in existence.

Applicability of Other Law: The Act is amended to declare that the following laws shall not apply to a city of the First Class that has entered into and remains subject to an intergovernmental cooperative agreement:

1. Article XVI-C of Act 176 of 1929 (The Fiscal Code)
2. Certain provision of Title 62 Pa. C.S. Chapter 39

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth funds and will allow PICA to continue to play a critical role in maintaining the fiscal health of the City of Philadelphia.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 10, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.