

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 831

PRINTER'S NO. 849

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 14, 2011

PRIME SPONSOR

Senator Robbins

HISTORY OF BILL

Referred to LOCAL GOVERNMENT, March 14, 2011

Reported as committed, April 12, 2011

First consideration, April 12, 2011

Re-referred to APPROPRIATIONS, May 3, 2011

Re-reported as committed, June 6, 2011

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 831 amends The Borough Code by clarifying that a borough may create and abolish the office of a borough manager, and that the borough council may hire and replace, at its pleasure, the person holding that position.

More specifically, the amendments provide authorization for an employment agreement with a borough manager. The amendments permit the employment agreement to generally set forth the terms and conditions of employment, and it may contain provisions that specify conditions under which a borough manager would be entitled to severance compensation. Nevertheless, the scope of the agreement is limited; the term of such an agreement cannot bind future governing bodies because it may not extend beyond the date of the organization meeting of the governing body following the next municipal election after the effective date of the agreement.

Also, notwithstanding the potential for severance payments, an employment agreement with a borough manager shall not be a guarantee of employment through the term of the agreement, and it shall not confer upon the borough manager any legal remedy to continued employment based on specific performance.

The Act shall take effect in 60 days.

FISCAL IMPACT:

It is presumed there would be no costs to the Commonwealth.

6/6/2011