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**House of Representatives**  
Commonwealth of Pennsylvania  
Harrisburg

**MEMORANDUM**

**Committees**

Appropriations  
Judiciary  
Subcommittee on Courts, Chairman

Insurance

State Government

**Appointments**

Public School Employees'  
Retirement System,  
Board of Trustees

South Central Pennsylvania Caucus, Chairman

**TO: All House Members**

**FROM: Representative Glen R. Grell**

**DATE: June 21, 2011**

**SUBJECT: Cosponsor Legislation – Management Board**

In the immediate future, I plan to introduce legislation that would amend Act 47, the "Municipalities Financial Recovery Act". The bill would provide for the creation of a three-person management board in the event a distressed City of the Third Class would fail to adopt or implement the Act 47 coordinator's financial recovery plan.

Although Act 47 is beneficial in many aspects, it lacks certain tools needed to ensure adoption and timely implementation of the recovery plan. To that end, I propose the following changes to the Act:

- In the event the distressed Third Class City fails to adopt and implement the coordinator's plan under Act 47, a management board will be established. The management board is a three-person board, with two members appointed by the Governor and one member appointed by the County Commissioners of the county in which the Third Class City is located.
- The management board will work to implement the coordinator plan, if necessary; negotiate intergovernmental cooperative agreements; and have the power to direct the sale of assets.
- Any distressed city that falls under this designation shall not be permitted to file for bankruptcy.

This piece of legislation is a companion to Senate Bill 1151 sponsored by Senator Piccola. If you wish to join me in cosponsoring this bill, please contact my office at 783-2063 or via email at [lkoch@pahousegop.com](mailto:lkoch@pahousegop.com). I would appreciate your support and cosponsorship.

GRG/lak