

NEWS RELEASE

Senate Majority Leader Dominic F. Pileggi

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FOR IMMEDIATE RELEASE

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Timeline Established for Consideration of HB 1828

Senate Majority Leader Dominic Pileggi (R-9) today laid out a specific timeline for consideration of House Bill 1828, legislation which would allow Philadelphia to impose a 14-percent increase in the sales tax within city limits and which would make changes to the city's pension system.

"This is significant legislation that proposes changes to one of the largest pension funds in the state, and proposes a sales tax increase in the largest city in the state," said Senator Pileggi. "Enactment of House Bill 1828 is important to Philadelphia, and I understand the city's need to receive some short-term fiscal relief.

"However, this legislation will also have long-term and statewide impacts. Additionally, the issues raised in House Bill 1828 mirror issues seen in other counties all across Pennsylvania. It is important that the Senate exercise its responsibility to give full, prompt consideration to this legislation and any proposed amendments."

House Bill 1828 passed the House of Representatives last week, on August 5, and has been referred to the Senate Finance Committee.

On Wednesday, August 12, the Senate Finance Committee will hold a public hearing on municipal pension issues. That hearing will examine the health of Philadelphia's pension system and the long-term impact of House Bill 1828, along with issues in other municipal pension systems across the state.

Senator Pat Browne (R-16), chairman of the Senate Finance Committee, said that the pension relief being sought by Philadelphia should be paired with reforms.

"Philadelphia's pension fund, over the long term, has serious problems," Senator Browne said. "We have a chance to make some important reforms not included in the current version of House Bill 1828 which would ensure the system's long-term health. We should not squander that opportunity."

The Senate Finance Committee will also schedule a public hearing on the county sales tax issue for the week of August 17. In addition to Philadelphia, many other counties across the state are interested in pursuing a sales tax increase.

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Pending the results of the hearings, Senator Browne indicated that he will schedule House Bill 1828 for a committee vote after the public hearings, possibly on Monday, August 24. If the bill is approved by the committee on that date, it could be considered by the full Senate as early as Wednesday, August 26.

"House Bill 1828 is complex legislation, and it is interrelated to both the state budget and to requests for fiscal relief from many other counties," said Senator Pileggi. "Members of both caucuses in the Senate have expressed concerns with the bill as it passed the House and have informed me that they are preparing amendments. I will try to expedite that process."

According to the Pennsylvania Intergovernmental Cooperation Authority's (PICA) June 21 approval of the city's proposed Five-Year Financial Plan, if the legislature has not enacted certain statutory changes by August 15, Philadelphia has until August 31 to submit a revised Plan. Thus, the Senate's time frame will ensure that House Bill 1828 is fully vetted without endangering any vital city services.

Senator Pileggi also indicated that he will write to PICA, and has urged Mayor Nutter to do the same, requesting an extension of the August 15 deadline for state action.

"The only hard deadline in this process is the one determined by PICA," said Senator Pileggi. "I am urging the board to extend its deadline by one month, to September 15. That will allow the legislative process to proceed in a responsible manner. I hope the PICA board will adjust its deadline in light of the fact that the House did not consider House Bill 1828 until five days ago."

Senator Pileggi noted that the approved Plan also requires the city to provide PICA with "a list of items that could generate at least \$25 million in savings or recurring revenues each year beyond those already included in the plan." That list has not yet been provided.

"The public and the General Assembly should have the opportunity to review the city's list of cost-cutting and/or revenue-raising measures before final action is taken on House Bill 1828," Senator Pileggi said.

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