



## POSITION STATEMENT

### Amendments to Act 47: The Municipalities Financial Recovery Act

**Background:**

The General Assembly will be considering legislation to amend Act 47 to grant the state authority to provide for the health and safety of municipal residents and granting the state the ability to implement a financial recovery plan in cases where Act 47 municipalities are unable or unwilling to do so.

This is in response to the pending fiscal crisis and ongoing inability of the City of Harrisburg whose elected officials cannot agree on a plan. The City will likely run out of money in a few weeks and is facing the inability to provide critical services to residents.

On Wednesday, August 31, 2011 the City Council in Harrisburg rejected the Mayor’s plan on a 4 – 3 vote, which is the last available alternative for a plan under Act 47.

Governor Corbett has publically announced his intent to sign such legislation should it get to his desk, which would apply to all municipalities or a class of municipalities (Cities of the 3<sup>rd</sup> Class, etc.). It would fulfill the Commonwealth’s obligation to provide for the safety of its residents while creating the authority to address the fiscal issues of Harrisburg and future cities in similar positions.

The General Assembly is expected to take this issue up immediately upon return in late September. It is important that the business community’s voice via the Chamber is heard on this legislation which would immediately impact Harrisburg.

As undesirable as it is for the Commonwealth to assume operational and fiscal distress responsibilities of a Pennsylvania municipality, when elected officials of a municipality fail to meet the obligations of their jobs, it is the responsibility of the Commonwealth to protect residents of the community.

**Chamber Position:**

The Harrisburg Regional Chamber supports legislation to empower the Commonwealth to assume certain responsibilities in municipal governance in developing and implementing a plan for financial recovery as well as providing for immediate health and safety of municipal residents during a financial crisis.

This position statement was passed by the following committees and board:

<i>Date</i>	<i>Committee/Board</i>	<i>Chair(s)</i>
1 September 2011	Harrisburg 2020 Committee	Dave Butcher, Co-Chair Brad Jones, Co-Chair
1 September 2011	Government Relations Committee	Sheilah Borne, Co-Chair Deb Suder, Co-Chair
6 September 2011	Chamber Board Executive Committee	Terry Lehman, Chair
14 September 2011	Chamber Board of Directors	Terry Lehman, Chair