

## No. 2000-33

## AN ACT

## HB 1153

Amending the act of June 23, 1931 (P.L.932, No.317), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," further providing for annual budget, for filing, for uniform forms and for annual reports.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 1809 of the act of June 23, 1931 (P.L.932, No.317), known as The Third Class City Code, reenacted and amended June 28, 1951 (P.L.662, No.164) and amended October 5, 1967 (P.L.327, No.143), is amended to read:

Section 1809. Annual Budget; Presentation to Council; Notice; Revision; Adoption.—The director of accounts and finance shall, on behalf of council, at the last stated meeting in November in each year present to council for first reading a proposed budget ordinance for all funds showing the estimated receipts, expenditures, and liabilities of every kind, for the ensuing year, with the balance of unexpended appropriations, and all other information of value as a basis for fixing the levy and tax rate for the next fiscal year. **[Such proposed budget ordinance shall be prepared on forms furnished as provided in section one thousand eight hundred twelve of this act.]** Council shall, upon passing the said proposed budget ordinance on first reading, fix a date for adoption thereof, which shall be not later than the thirty-first day of December of such year.

The several departments of the city government shall, before the proposed budget ordinance is presented, as above provided, furnish to the council an estimate of the probable receipts and expenditures and of the amount required by each of said departments for the public service during the ensuing fiscal year as a basis for making the annual appropriations thereto.

When the proposed budget ordinance is submitted to council and has passed first reading, the city clerk shall forthwith make the same available for public inspection at his office in the city hall, and shall thereupon publish a notice to that effect once in at least one newspaper in accordance with the provisions of section one hundred nine of this act. Such notice shall state the date fixed by council for adoption of the proposed budget ordinance, and such notice shall be published at least twenty days prior to the time fixed by council for adoption of the proposed budget ordinance. The proposed budget ordinance shall be available for public inspection at the city clerk's office for at least ten days after the aforesaid newspaper notice thereof is published.

The council shall, after making such changes and modifications therein as appear proper, adopt the budget and any appropriation measures required to put it into effect upon the date fixed for adoption thereof: Provided, That said budget shall reflect as nearly as possible the estimated revenues and expenditures of the city for the year for which the budget is prepared. That should it appear upon any revision of the budget that the estimated expenditures in the adopted budget would be increased more than ten per cent in the aggregate or more than twenty-five per cent in any individual item over the proposed budget, such budget shall not be adopted with any such increases therein unless the same be again made available for public inspection and for protest of such increases for a period of at least ten days after notice to that effect is published as hereinbefore provided.

**[Within thirty days after the adoption of a budget ordinance, the director of accounts and finance shall file a copy of the same in the office of the Department of Community Affairs.]**

Section 2. Section 1810 of the act, amended October 5, 1967 (P.L.327, No.143) and December 14, 1967 (P.L.828, No.355), is amended to read:

Section 1810. Amending Budget; Notice.—During the month of January next following any municipal election, the council of any city may amend the budget and the levy and tax rate to conform with its amended budget ordinance. A period of ten days' public inspection at the office of the city clerk of the proposed amended budget ordinance after notice by the city clerk to that effect is published once in a newspaper as provided in section one hundred nine of this act shall intervene between council's first reading of the proposed amended budget ordinance and the adoption thereof. Any amended budget ordinance must be adopted by council on or before the fifteenth day of February.

No such proposed amended budget ordinance shall after first reading be revised upward in excess of ten per cent in the aggregate thereof or as to an individual item in excess of twenty-five per cent of the amount of such individual item in the proposed amended budget ordinance.

**[Within fifteen days after the adoption of an amended budget ordinance, the director of accounts and finance shall file a copy thereof in the office of the Department of Community Affairs.]**

Section 3. Section 1812 of the act, amended December 18, 1996 (P.L.1063, No.157), is amended to read:

Section 1812. Annual Reports; Publication; Filing Report with Department of Community [Affairs] *and Economic Development*; Penalty.—(a) The director of accounts and finance shall make a report, verified by oath or affirmation, to the council at a stated meeting in [March] April in each year of the public accounts of the city and of the trusts in its care for the preceding fiscal year, exhibiting all of the expenditures thereof, respectively, and the sources from which the revenue and funds are derived and in what measures the same have been disbursed. Each account shall be accompanied by a statement in detail of the several

appropriations made by council, the amount drawn and encumbered on each appropriation, and the unencumbered balance outstanding to the debit or credit of such appropriation at the close of the fiscal year.

(b) Such report, accompanied by a concise financial statement setting forth the balance in the treasury at the beginning of the fiscal year, all revenues received during the fiscal year, by major classifications, all expenditures made during the fiscal year, by major functions, and the current resources and liabilities of the city at the end of the fiscal year, the gross liability and the net debt of the city, the amount of the assessed valuation of the taxable property in the city, the assets of the city and the character and value thereof, the date of the last maturity of the respective forms of funded debt, and the assets in each sinking fund, shall be published once in not more than two newspapers printed or circulated in such city, as required by section one hundred and nine of this act. Before such report or statement is made or published, the same shall be approved by the controller, who may approve it subject to such exceptions as he may have thereto: Provided, Council may cause such statement to be printed in pamphlet form in addition to the publications made as aforesaid.

(c) The director of accounts and finance shall also, annually, make report of the financial condition of the city in the form above provided to the Department of Community [Affairs] *and Economic Development*, within [sixty] *ninety* days after the close of the fiscal year, signed and duly verified by the oath of the director and approved by the city controller, as above provided. Any director of accounts and finance refusing or wilfully neglecting to file such report shall, upon conviction thereof, in a summary proceeding brought at the instance of the Department of Community [Affairs] *and Economic Development*, be sentenced to pay a fine of five dollars for each day's delay beyond said [sixty] *ninety* days, and costs. All fines recovered shall be for the use of the Commonwealth.

(d) The report to the Department of Community [Affairs] *and Economic Development* shall be presented in a form as provided for in section one thousand eight hundred and thirteen of this act.

Section 4. Section 1813 of the act, amended October 5, 1967 (P.L.327, No.143), is amended to read:

Section 1813. Committee to Prepare Uniform Forms.—The uniform [budget and] *financial* report forms, specified in the foregoing sections of this act, shall be prepared by a committee consisting of four representatives of the Pennsylvania League of Cities *and Municipalities* and the Secretary of Community [Affairs] *and Economic Development*, or his agent who shall be a person trained in the field of municipal finance.

Such representatives shall be appointed by the president of said organization within sixty days after the effective date of this act. Such representatives shall be chosen from among finance officers of third class cities or other officers of such cities who have knowledge of their fiscal procedures. As far as possible, they shall be chosen to represent cities in the

various population groups within the range of cities of the third class. The president of the Pennsylvania League of Cities *and Municipalities* shall supply to the Secretary of Community [Affairs] *and Economic Development* the names and addresses of such representatives immediately upon their appointment.

Said representatives shall serve without compensation, but they shall be reimbursed by the Commonwealth for all necessary expenses incurred in attending meetings of the committee. The committee shall meet at the call of the Secretary of Community [Affairs] *and Economic Development*, or his agent, who shall serve as chairman of the committee.

[In preparing the uniform forms for both budgets and annual reports, the committee shall give careful consideration to the fiscal needs and procedures of cities of the various population groups, producing separate forms, if necessary, to the end that said forms shall not be inconsistent with the general administrative practices of the cities of various sizes.]

It shall be the duty of the Secretary of Community [Affairs] *and Economic Development*, or his agent, to see to it that the forms required by this act are prepared in cooperation with said committee. In the event that said committee should for any reason fail to furnish such cooperation, the Secretary of Community [Affairs] *and Economic Development*, or his agent, shall complete the preparation of the forms. After their preparation, he shall issue said forms and distribute them annually, as needed, to the designated officers of each city of the third class.

No change or alteration in the forms prescribed shall be made by the Secretary of Community [Affairs] *and Economic Development* or his agent except by a majority approval of the committee, unless upon reasonable notice two or more representatives thereof fail to attend the committee meetings. In voting upon any change or alteration, each representative and the chairman of the committee shall have one vote.

Section 5. This act shall take effect in 60 days.

APPROVED—The 22nd day of June, A.D. 2000.

THOMAS J. RIDGE