

Allegheny County Council

*County of Allegheny
436 Grant Street
Pittsburgh, PA 15219
Phone (412) 350-6495
Fax (412) 350-6499*



Committee Meeting Minutes

Tuesday, March 11, 2008

4:00 PM

Conference Room 1

Committee on Budget and Finance

William Russell Robinson, Chair; Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Mike Finnerty, Vince Gastgeb, Bob Macey, and Chuck McCullough - Members

I. Call to Order

Summary: *The meeting was called to order at 4:00 PM and recessed at the call of the Chair. The meeting was reconvened at 4:10 PM*

Invited Guests:

Jim Flynn, County Manager or Designee

Amy Griser, Director, Budget & Finance

Derek Uber, Deputy County Manager

Summary: *Invited guests in attendance: Mr. Flynn, Mr Uber, and Pete Schepis for Ms. Griser*

Recognized attendees: Gary Matta representing Council's Legal Advisor Jack Cambest

Council staff in attendance: John Mascio, Jennifer Liptak, Jared Barker, Joe Catanese, and Stephanie Buka

II. Roll Call

Roll Call: Present: Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Michael Finnerty, Vince Gastgeb, Bob Macey, Chuck McCullough, Chair William Robinson, Council Member Nick Futules, and Council Member Chuck Martoni

III. Approval of Minutes

3822-08 Motion to approve the Minutes of the February 26, 2008 Budget & Finance Committee Meeting.

Action: **A motion was made by McCullough, seconded by Gastgeb, that this matter be Passed. The motion carried unanimously.**

IV. Agenda Items**Ordinances**

3794-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," by the creation of a new Article 490 entitled "Financing Fees," in order to establish a process for reviewing the County's fees for certain financing activities.

Sponsors: William Russell Robinson

Summary: *Prior to discussion on the bills, Ms. Liptak distributed a document labeled "Allegheny County Property Tax Discount Program Costs". This document contained the cost of implementing the Senior Tax Relief Program, Act 202 Program, Act 42 Program, and the Act 50 Homestead Exemption. Ms. Liptak provided the committee with a description of each program. The Chair asked her if she would provide the committee with periodic updates on these costs. She said that she would.*

Ms. Liptak also distributed a document labeled, "Special Tax Collections- Drink Tax and Car Rental Tax Collections - January Collections Received as of March 5, 2008."

She provided the committee with a summary of that document.

Ms. Liptak provided the committee with a summary of Bill No. 3794-08. She said that the bill would establish a process for reviewing the County's fees for certain financing activities.

She further explained that within 30 of the effective date of the Ordinance, and no later than January 31 of each calendar year thereafter, the County Manager and Department of Economic Development would provide County Council with a Financing Activity Fee Report. This report shall specifically delineate all fees generated in the prior calendar year from all financing activities for which legislative concurrence was required by the County under the terms of applicable law and which were undertaken on behalf of certain entities. She explained the requirements of this report in detail.

The Chair said that he will hold the bill until he receives responses from those who were sent memos requesting various information relating to the bill.

Action:

Held in Committee

3819-08

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," through the creation of a new Chapter 480, entitled "Essential Services and Tax Exempt Verification Certification," in order to provide for a tax exempt certification and essential services fee for certain properties within the County for which an exemption from the real property tax is claimed.

Sponsors: Chuck McCullough

Summary:

The Chair said that this bill is a variation of Bill No. 3663-08 which is an Ordinance which would provide for a tax exempt certification and essential services fee for certain properties within the County for which an exemption from the real property tax is claimed. He said that bill is currently in Committee. He said that the current bill, 3819-08, is Mr. McCullough's attempt to keep alive the original bill by encompassing some of the amendments that he proposed to that bill at a previous committee meeting which failed. He said Council's Legal Advisor Jack Cambest was asked to be present at this meeting but he could not be here so Gary Matta would be representing him. He invited Mr. Matta to the committee table.

The Chair laid out the parameters for Mr. Matta's presentation and asked that Council Members do not engage in direct conversation with Mr. Matta. He said that Mr. Matta will provide the committee with his thoughts on the issue of nonprofit service fees.

Mr. Matta said that, according to case law, fees must be related to a specific service rendered. The Chair asked whether the bill could be made effective. Mr. Matta said that he believed it could be if the State Legislature made changes to the Public Charities Act to remove exemption.

The Chair asked if Council could legally pass this if they did not call the assessment a fee. Mr. Matta said that it has to be either a fee or a tax. He said that Council should carefully consider the definitions of a fee and a tax. He said a fee is for services

provided and a tax is meant to raise revenue for the operation of government.

The Chair asked if he knew of any other counties that attempted this. Mr. Matta said that the only ones he knew of were those that were challenged. Mr. DeFazio said that he has concerns that there are cases in other counties where they tried this and they were challenged and prohibited from doing this. The Chair asked Mr. Matta to identify the counties that were challenged. Mr. Matta said that most of the cases were in Philadelphia and one was in Sharon, PA. The Chair then asked Mr. Matta if there was any case law in Allegheny County that prohibited them from implementing this. Mr. Matta said there was not.

Mr. McCullough cited an article which appeared in the March 10, 2008 edition of the Pittsburgh Post Gazette with the headline, "PA Smoking Ban Nears". He said that this would never had happened if County Council did not approve a smoking ban which at the time was deemed illegal. He said that he wishes to keep the bill alive and asked the committee not to defeat it just because it was ruled illegal in some counties.

Mr. DeFazio said that he believes that Council should work with the State Legislators on this issue.

The Chair asked Mr. McCullough if he wanted to hold the bill or attempt to move it forward. Mr. McCullough said that he is comfortable with holding the bill in committee. He suggested that Council hold a Public Hearing on the matter. The Chair asked him to work with Council President Fitzgerald on scheduling a Public Hearing on the bill. Mr. McCullough said that at the next Regular Meeting of Council he would propose a Motion to set a public hearing.

Ms. Liptak distributed a Fiscal Note on the bill.

Resolution

3737-08

A Resolution of the County of Allegheny, Commonwealth of Pennsylvania, amending the New Home Construction/Improvement Program Resolution enacted May 23, 1996 by the Board of Commissioners of Allegheny County at Agenda Number 700-96, subsequently amended by Resolutions Nos. 22-00, 6-01, 61-02, 04-04-RE, and 49-05-RE by providing for the continuation of the Allegheny County New Home Construction/Improvement Exemption Program.

Sponsors: Michael Finnerty, Bob Macey, Nick Futules, William Russell Robinson, Jim Burn, John DeFazio, Matt Drozd, Jim Ellenbogen, Rich Fitzgerald, Brenda Frazier, Vince Gastgeb, Joan Cleary, Jan Rea and Chuck McCullough

Summary:

Ms. Liptak provided the committee with a summary of the bill. She said that state law authorizes local taxing authorities to exempt new residential construction under certain conditions, and to exempt the assessed valuation of improvement of deteriorated properties from real estate taxation for specified amounts and periods of time under certain conditions.

Ms. Liptak distributed the required Fiscal Note relating to the bill.

The Chair expressed concern that there has been no official evaluation of this program

and did not know if the program met its intended goals.

Mr. Finnerty said that the bills intent is to give homeowners incentive to modernize their homes and for new home owners to build in Allegheny County.

He asked Ms. Liptak if fewer people have been applying over the years. She said that was true.

The Chair said that he would like the administration to provide the committee with an evaluation of the program, and asked Ms. Liptak to work with them toward that goal. She said that she would.

Action: **A motion was made by Macey, seconded by Gastgeb, that this matter be Affirmatively Recommended. The motion carried unanimously.**

V. Adjournment

Summary: *The meeting adjourned at 5:15 PM*