

# City of Philadelphia



(Bill No. 120107)

## AN ORDINANCE

Amending Title 21 of The Philadelphia Code, entitled “Miscellaneous,” by providing for the preparation of Fiscal Impact Statements regarding pending legislation and directing the Finance Director and Controller to provide such statements upon request, all under certain terms and conditions.

WHEREAS, To facilitate strategic decision-making that takes into account both policy priorities and also the cost of pursuing those priorities, analysis regarding the fiscal impact of proposed legislation on the City’s finances should be made available to City Council; and

WHEREAS, Providing for fiscal impact analysis regarding the costs and benefits of proposed legislation will bring Philadelphia in line with national best practices; fiscal impact analysis is required in cities including Washington, D.C., San Francisco, CA, and Los Angeles, CA, and in states ranging from Iowa to Virginia to Colorado to Pennsylvania; and

WHEREAS, In Pennsylvania, for example, state-level legislation requiring the expenditure of governmental funds may not be passed before the preparation of a fiscal note detailing the financial impact of the bill in the year of enactment and for the five succeeding fiscal years; and

WHEREAS, In Philadelphia, the Finance Director and City Controller are best positioned to prepare such fiscal impact analysis, given their access to financial records and such analysis being consistent with their existing duties under the Home Rule Charter; and

WHEREAS, The Charter-mandated duties of the Finance Director include “Cost Analysis,” which is further described as “mak[ing] studies of the cost of performing the various functions which are committed to the several officers, departments, boards or commissions,” while those of the Auditing Department, under the direction of the City Controller, include “mak[ing] recommendations to the several officers, departments, boards, commissions or other agencies receiving appropriations from the City for the improved efficiency and economy of their operations involving the expenditure of City funds”; and

WHEREAS, Pursuant to the Home Rule Charter, City Council is authorized “by ordinance [to] add new powers and new duties, not inconsistent with the scheme of this

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charter, to the powers and duties of the offices, departments, boards and commissions which are herein designated as the agencies of the executive and administrative branch of the City government”; and

WHEREAS, Finding that there is a benefit to having fiscal impact analysis available, upon request, for pending legislation and that the preparation of such analysis is consistent with the existing duties of the Finance Director and City Controller; now, therefore

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Title 21 of The Philadelphia Code is hereby amended to read as follows:

## TITLE 21. MISCELLANEOUS

\* \* \*

### *CHAPTER 21-2300. FISCAL IMPACT STATEMENTS.*

*§21-2301. Availability of Fiscal Impact Statements.*

(1) *A Fiscal Impact Statement shall be prepared for any pending ordinance, other than bills making an appropriation or amending such bills, upon the request of the main sponsor of the bill or of no fewer than three (3) other City Council members. Such a request shall be made to the Chief Clerk who, based upon the direction of the requester(s) of such Fiscal Impact Statement, shall forward the particular bill to the Director of Finance or the Controller for preparation of the Fiscal Impact Statement. Upon receipt of the Fiscal Impact Statement, the Chief Clerk shall distribute it to all members of City Council and make it publicly available.*

(2) *The lack of preparation of a Fiscal Impact Statement shall not preclude the adoption of a bill.*

*§21-2302. Form of Fiscal Impact Statements.*

*The form of Fiscal Impact Statements regarding City Council legislation provided for in Section 21-2301 shall be as set forth in the attached Exhibit “A.”*

*§21-2303. Duty to Prepare Fiscal Impact Statements.*

(1) *The Director of Finance or his or her designee shall, by the latter of ten (10) days from receipt of a bill forwarded pursuant to Section 21-2301 or the first*

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*committee hearing on the bill, prepare and submit to the Clerk of Council a Fiscal Impact statement regarding the bill.*

(2) *The City Controller or his or her designee shall, by the latter of ten (10) days from receipt of a bill forwarded pursuant to Section 21-2301 or the first committee hearing on the bill, prepare and submit to the Clerk of Council a Fiscal Impact Statement regarding the bill.*

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**Explanation:**

*Italics* indicate new matter added.

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Exhibit "A"

## Philadelphia Fiscal Impact Statement

Date:
Bill No.:
Bill Title:
Prepared by:

**Section 1:** Provide overview of fiscal impact of the legislation.

	Increase	Decrease	Neutral
Operating Cost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Impact on City's Five-Year Plan?	<input type="checkbox"/> Y		<input type="checkbox"/> N
Fiscal Impact Cannot be Determined			<input type="checkbox"/>

**Section 2:** Fill in the changes to annual revenue and/or annual operating costs over the next five fiscal years.

	Current FY	FY+1	FY+2	FY+3	FY+4
Annual Cost					
Annual Revenue					

**Section 3:** Detail methodology for fiscal impact analysis and underlying assumptions.

<p><i>Describe how the estimates were derived:</i></p>    
<p><i>Describe any assumptions used in deriving the estimates:</i></p>    

**Section 4:** Describe impact, if any, of legislation on the City's Five-Year Financial Plan.

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*Does the legislation affect the City's Five-Year Financial Plan? If so, briefly explain:*

**Section 5:** Describe whether funding is available to implement the legislation, if implementation has financial cost.

<input type="checkbox"/>	Funding exists to implement the legislation. <i>Please explain:</i>
<input type="checkbox"/>	Funding has not been provided for the legislation. <i>Please explain:</i>

**Section 6:** Provide any additional comments regarding the fiscal impact of the legislation, including, for example, the fiscal impact on third parties.

*Additional Comments:*

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 20, 2013. The Bill was Signed by the Mayor on September 6, 2013.



Michael A. Decker  
Chief Clerk of the City Council