The state and federal governments have freely transferred to local governments the responsibility for delivering numerous goods and services to the public without the benefit of state or federal tax dollars for implementation. Local governments are currently experiencing great difficulties in adequately funding basic public services because they have been forced to shift money from already strained budgets to carry out these mandates, such as stormwater management.

At the same time, the legislature has given tax breaks to special interests or taken away or restricted tax revenues without replacement.

Unlike the state and federal governments, local governments must operate on a balanced budget every year. Therefore, when revenues are sacrificed to benefit a special interest or new costs are imposed, local governments often have no other option than to reduce services or increase taxes.

Local governments should be viewed as partners with the state and federal government for the provision of services to our mutual residents. Local government should not be threatened with the withholding of funds to force compliance with unfunded mandates.

The Association strongly supports legislation that would require the state and federal governments to provide adequate and necessary funding sufficient to implement and administer any mandate imposed on local government.

We commend the Senate for commissioning the SR 323 Report on Unfunded Mandates (2010), which closely examined the many unfunded state mandates faced by municipalities and made common-sense recommendations for legislative changes that would relieve burdensome mandates, such as the prevailing wage, binding arbitration, legal advertising, and the Right-to-Know Law. PSATS strongly supports the report’s recommendations for specific legislative changes.

The Association strongly supports the SR 323 Report’s recommendations for general mandate reform, including municipal mandate impact statements for proposed legislation; requirements for state cost-sharing of new mandates that
Local governments are **partners with the state and federal governments** and should be **part of a system of government** that is flexible and sensitive to the limited fiscal and administrative **capacities** of local governments to carry out costly mandates.

Local governments would increase expenditures or decrease revenues for local governments unless overridden by a two-thirds vote of the General Assembly; and establishment of a state local government mandates task force to perform periodic reviews of mandates and provide recommendations for relief.

In addition, PSATS supports an amendment to the Pennsylvania Constitution to prohibit the enactment of new state laws that impose costs on municipalities unless the General Assembly provides new sufficient funding for implementation.

**Regulatory flexibility**

Local governments are partners with the state and federal governments and should be part of a system of government that is flexible and sensitive to the limited fiscal and administrative capacities of local governments to carry out costly mandates.

To that end, any new or amended regulations handed down by the Department of Environmental Protection or any other state or federal agency should be accompanied by adequate funding or authority for a new funding source.

In addition, PSATS strongly opposes actions or policies of the commonwealth and its departments and agencies that would transfer the cost of service responsibilities to municipalities.

**Ordinance enforcement**

Municipalities should be exempt from the payment of mandated court costs to enforce local ordinances and be provided with legal assistance by the state Attorney General’s Office whenever they must defend local ordinances that were adopted and enforced to comply with state laws.