

MEMORANDUM

TO: All Members of the House of Representatives
FROM: Representative Neal P. Goodman
DATE: March 26, 2010
SUBJECT: Legislation to remove weighted vote provisions in Act 32

In the near future, I will be introducing legislation to remove provisions related to the weighting of votes cast by tax collection committee delegates under Act 32 of 2008. You may recall that Act 32 consolidated the collection of the local earned income tax at the county level.

I agree with the intent of Act 32, which was to consolidate the number of local earned income tax collectors from 560 to 69 in order to make collection more efficient. The consolidated system is expected to annually capture an estimated \$237 million in tax revenue that the old system did not. However, one provision of the act has created a great deal of concern among smaller communities – the weighted vote provision.

Act 32 set up a weighted vote system based on population and income tax revenues collected. While this seems reasonable at first, the unfortunate reality is that this system allows school districts and larger municipalities to control all of the votes. In my county, the vote to adopt the committee by-laws passed with 16 “yes” votes and 42 “no” votes because the 16 “yes” votes included the 10 school district delegates present and counted for 51.8 percent of the weighted vote. Meanwhile, the 42 “no” votes counted for only 30 percent of the vote.

The consequences are serious for smaller municipalities who often cannot afford the decisions of the larger governing bodies. I believe it is fair to say this was not the intent of the law.

My legislation would remove the weighted voting system and substitute it with a one-municipality, one-vote system. Such a system would be fairer and closer to the representative democracy principles our country is founded upon. In addition, the House Finance Committee may be holding a hearing on this issue in the near future.

To co-sponsor this legislation, please contact Linda Reed at lreed@pahouse.net or 787-2798.