

1                   STANDARDS FOR MUNICIPAL PENSION SYSTEMS

2 Section 701-A. Definitions.

3       The following words and phrases when used in this chapter  
4 shall have the meanings given to them in this section unless the  
5 context clearly indicates otherwise:

6       "Affiliated entity." Any of the following:

7           (1) A subsidiary or holding company of a lobbying firm  
8 or other business entity owned in whole or in part by a  
9 lobbying firm.

10          (2) An organization recognized by the Internal Revenue  
11 Service as a tax-exempt organization under section 501(c) of  
12 the Internal Revenue Code of 1986 (Public Law 99-514, 26  
13 U.S.C. § 501(c)) established by a lobbyist or lobbying firm  
14 or an affiliated entity.

15       "Contributions." As defined in section 1621 of the act of  
16 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania  
17 Election Code.

18       "Executive level employee." An employee of a person or the  
19 person's affiliated entity who:

20           (1) can affect or influence the outcome of the person's  
21 or affiliated entity's actions, policies or decisions

22 RELATING TO PENSIONS AND THE CONDUCT OF BUSINESS WITH A ←  
23 MUNICIPALITY OR A MUNICIPAL PENSION SYSTEM; or

24           (2) is DIRECTLY involved in the implementation or ←  
25 development of policies relating to PENSIONS, investments, ←  
26 contracts or procurement OR TO THE CONDUCT OF BUSINESS WITH A ←  
27 MUNICIPALITY OR A MUNICIPAL PENSION SYSTEM.

28       "Municipal pension system." Includes the Pennsylvania  
29 Municipal Retirement System.

30       "Political committee." As defined in section 1621 of the act

1 of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania  
2 Election Code.

3 "Professional services contract." A contract to which the  
4 municipal pension system is a party that is:

5 (1) for the purchase or provision of professional  
6 services, including investment services, legal services, real  
7 estate services and other consulting services; and

8 (2) not subject to a requirement that the lowest bid be  
9 accepted.

10 Section 702-A. Procurement for professional services contracts.

11 (a) Procedures.--Each municipal pension system, including  
12 the Pennsylvania Municipal Retirement System, shall develop  
13 procedures to select the most qualified person to enter into a  
14 professional services contract. The procedures shall ensure that  
15 the availability of a professional services contract is  
16 advertised to potential participants in a timely and efficient  
17 manner. Procedures shall include applications and disclosure  
18 forms to be used to submit a proposal for review and to receive  
19 the award of a professional services contract.

20 (b) Advertisement.--An advertisement of the availability of  
21 a proposal for a professional services contract shall set forth:

22 (1) The services that are the subject of the proposed  
23 contract.

24 (2) Specifications relating to the services.

25 (3) Procedures to compete for the contracts.

26 (4) Required disclosures.

27 (c) Review.--Procedures to select the most qualified person  
28 shall include a review of the person's qualifications,  
29 experience and expertise and the compensation to be charged.

30 (d) Personnel.--

1           (1) Prior to entering into a professional services  
2 contract with a municipal pension system, the contractor  
3 shall disclose the names and titles of each individual who  
4 will be providing professional services to the municipal  
5 pension system, including advisors or subcontractors of the  
6 contractor.

7           (2) Disclosure under this subsection shall include all  
8 of the following:

9           (i) Whether the individual is a current or former  
10 official or employee of the municipality entering into  
11 the contract.

12           (ii) Whether the individual has been a registered  
13 Federal or State lobbyist.

14           (iii) A description of the responsibilities of each  
15 individual with regard to the contract.

16           (3) The resume of an individual included in the  
17 disclosure shall be provided to the municipality upon  
18 request.

19           (4) The information under this subsection shall be  
20 updated as changes occur.

21           (e) Conflict of interest.--The municipal pension system  
22 shall adopt policies relating to potential conflicts of interest  
23 in the review of a proposal or the negotiation of a contract.  
24 The policies shall include a minimum one-year restriction on:

25           (1) Participation by a former employee of a contractor  
26 or potential contractor in the review of a proposal or  
27 negotiation of a contract with that contractor.

28           (2) Participation by a former employee of the municipal  
29 pension system in the submission of a proposal or the  
30 performance of a contract.

1 (f) Public information.--Following the award of a  
2 professional services contract, all applications and disclosure  
3 forms shall be public except for proprietary information or  
4 other information protected by law.

5 (g) Increase.--A professional services contract shall not be  
6 amended to increase the cost of the contract by more than 10% or  
7 \$10,000, whichever is greater, unless the increase and a written  
8 justification for the increase are public and posted on the  
9 municipal pension system's Internet website, if an Internet  
10 website is maintained, at least seven days prior to the  
11 effective date of the amendment.

12 (h) Notice and summary.--The relevant factors that resulted  
13 in the award of the professional services contract must be  
14 summarized in a written statement to be included in or attached  
15 to the documents awarding the contract. Within ten days of the  
16 award of the professional services contract, the original  
17 application, a summary of the basis for the award and all  
18 required disclosure forms must be transmitted to all  
19 unsuccessful applicants and posted on the municipal pension  
20 system's Internet website, if an Internet website is maintained,  
21 at least seven days prior to the execution of the professional  
22 services contract.

23 Section 703-A. Agents; solicitation.

24 (a) Prohibition DISCLOSURE.--A person or an affiliated ←  
25 entity that intends to enter or that enters into a professional  
26 services contract may not directly or indirectly hire, engage, ←  
27 utilize, retain or compensate any ←  
28 CONTRACT SHALL DISCLOSE THE  
29 EMPLOYMENT OR COMPENSATION OF A third party intermediary, agent  
30 or lobbyist to directly or indirectly communicate with a  
municipal pension system official or employee or a municipal

1 official or employee in connection with any transaction or  
2 investment involving the contractor and the municipal pension  
3 system. The prohibition shall include the solicitation of an ←  
4 investment or investment management services from a municipal  
5 pension system or influencing or attempting to influence the  
6 outcome of an investment or other financial decision by the  
7 system. The prohibition DISCLOSURE shall not apply to an officer ←  
8 or employee of the investment firm who is acting within the  
9 scope of the firm's standard professional duties on behalf of  
10 the firm, including the actual provision of legal, accounting,  
11 engineering, real estate or other professional advice, services  
12 or assistance pursuant to a professional services contract with  
13 the municipal pension system.

14 (b) Solicitation.--A person that enters into, or has applied  
15 for, submitted an offer or bid for, responded to a request for  
16 proposal on or otherwise solicited, a professional services  
17 contract with a municipal pension system or an agent, officer,  
18 director or employee of that person may not solicit a  
19 contribution to any municipal official or candidate for  
20 municipal office in the municipality where the municipal pension  
21 system is organized or to the political party or political  
22 action committee of that official or candidate.

23 (c) Limitation on communication.--Upon the advertisement for  
24 a professional services contract by the municipal pension  
25 system, the contractor may not cause or agree to allow a third  
26 party to communicate with officials or employees of the  
27 municipal pension system except for requests for technical  
28 clarification. Requests for technical clarification shall be  
29 made by a designated employee of the municipal pension system.  
30 Nothing in this subsection shall preclude a potential contractor

1 from responding to requests for clarification or additional  
2 information from the municipal pension system.

3 Section 704-A. Disqualification.

4 (a) Contributors.--A person or an affiliated entity that,  
5 within the past two years, has made a contribution to a  
6 municipal official or candidate for municipal office in the  
7 municipality which controls the municipal pension system may not  
8 enter into a professional services contract with the municipal  
9 pension system, except that the two-year restriction shall not  
10 apply to any contribution made prior to the effective date of  
11 this subsection.

12 (b) Relationships.--A person or an affiliated entity that  
13 enters into a professional services contract with a municipal  
14 pension system may not have a direct financial, commercial or  
15 business relationship with any official of the municipal pension  
16 system or the municipality which controls the municipal pension  
17 system unless the municipal pension system consents in writing  
18 to the relationship following full disclosure.

19 (c) Gifts.--A person with a professional services contract  
20 may not offer or confer a gift having more than a nominal value,  
21 including money, services, loans, travel, lodging,  
22 entertainment, discount or other thing of value, to any  
23 official, employee or fiduciary of a municipal pension system.

24 Section 705-A. Disclosure.

25 (a) Contractors.--

26 (1) A person or an affiliated entity that has a  
27 professional services contract with a municipal pension  
28 system shall disclose all contributions to which all of the  
29 following apply:

30 (i) The contribution was made within the last five

1           years.

2           (ii) The contribution was made by an officer,  
3 director, executive-level employee or owner of at least  
4 5% of the person or affiliated entity.

5           (iii) The amount of the contribution was at least  
6 \$500 in the form of:

7           (A) A single contribution by a person included  
8 in subparagraph (ii).

9           (B) The aggregate of all contributions by all  
10 persons listed in subparagraph (ii).

11          (iv) The contribution was made to:

12           (A) A candidate for any public office in the  
13 Commonwealth or to an individual who holds that  
14 office.

15           (B) A political committee of a candidate for  
16 public office in the Commonwealth or of an individual  
17 who holds that office.

18          (2) The information provided under this subsection shall  
19 be updated annually.

20          (b) Additional disclosure.--A person or an affiliated entity  
21 that has a professional services contract with a municipal  
22 pension system shall disclose all of the following:

23           (1) Information relating to individuals making  
24 contributions. This paragraph includes:

25           (i) The name and address of the contributor.

26           (ii) The contributor's relationship to the  
27 contractor.

28           (iii) The name and office or position of each person  
29 receiving a contribution.

30           (iv) The amount of the contribution.

1           (v) The date of the contribution.

2           (2) Gifts to an official or employee of the municipal  
3 pension system or the municipality which controls the  
4 municipal pension system.

5           (3) The employment or retention of any third-party  
6 intermediary, agent or lobbyist and the duties of that  
7 person.

8           (4) The existence of any financial relationship under  
9 section 704-A(b).

10          (c) Applicability.--The provisions of subsection (a) shall  
11 apply to a person and an affiliated entity that has applied for,  
12 submitted an offer or bid for, responded to a request for  
13 proposal or otherwise solicited a professional services contract  
14 with a municipal pension system.

15          (d) Forms.--Required disclosure shall be made on a form  
16 prepared by the municipal pension system. The form shall be  
17 attached to the contract and posted on the system's Internet  
18 website, if an Internet website is maintained. During the term  
19 of the contract, an updated form shall be filed annually in  
20 accordance with procedures adopted by the plan.

21          (e) Penalties.--The following shall apply:

22           (1) A municipal pension system shall void the  
23 professional services contract of a person that knowingly  
24 makes a material misstatement or omission in a disclosure  
25 form under this chapter and shall prohibit the person from  
26 entering into a contract for a period of up to three years.

27           (2) If a contractor or person that has submitted a  
28 proposal or bid in violation of paragraph (1) more than two  
29 times in a 36-month period, all contracts between that  
30 contractor and the municipal pension plan shall be void, and



1 the person shall be debarred for a period of at least three  
2 years from the date of the last violation.

3 Section 706-A. Duty to act.

4 If a person that enters into, or has applied for, submitted  
5 an offer or bid for, responded to a request for proposal on or  
6 otherwise solicited, a contract with a municipal pension system  
7 or an officer, director or employee of a municipal pension  
8 system is aware, or reasonably should be aware, of an apparent,  
9 potential or actual conflict of interest, the person shall  
10 disclose the conflict and promptly eliminate the conflict.

11 Section 707-A. No preemption.

12 If a municipality establishes a code of ethics which is  
13 stricter than this chapter, that code is not preempted by this  
14 chapter.

15 Section 15.1. The act is amended by adding ~~sections~~ A  
16 SECTION to read:

17 Section 902. Second class cities.

18 (a) Taxing authority.--In taxable years beginning after  
19 December 31, 2008, the following apply to a city of the second  
20 class which is a home rule municipality:

21 (1) The city may impose on each parking transaction in  
22 the city a tax at a rate not to exceed 37.5% of the cost of  
23 the transaction.

24 (2) If the Department of Community and Economic  
25 Development determines that the city has leased or sold all  
26 of its parking authority facilities GARAGES and that net  
27 proceeds from the lease or sale have been deposited into the  
28 Pennsylvania Municipal Retirement System and credited to the  
29 municipality's account and transmits notice of the  
30 determination to the Legislative Reference Bureau for