

Legislative Change Could Help Simplify Developments Located in More than One Municipality

PUBLISHED ON

October 26, 2022

If you have ever had a project where the property is located in more than one municipality, you understand the complexities that can create under Pennsylvania's local government system. In addition to dealing with two sets of municipal officials and staff, you are likely attending twice the number of meetings, have additional submission fees and review costs, and are trying to juggle two sets of municipal regulations which are likely inconsistent.

Sometimes there is no way around this if the municipal boundary cuts the property in such a way that there is significant construction anticipated in both municipalities. However, sometimes the property may have only a very small area of land located in an adjacent municipality. In those situations, you are frequently left to the discretion of said adjacent municipality as to whether they will cooperate and waive review of plans or whether they will insist on having the same amount of input as the municipality where the majority of the project is located.

A recent legislative change could provide a solution to this issue in certain circumstances. <u>Act 41 of 2022</u> changed local municipal law to allow for municipal boundary changes by agreement of the municipalities. Prior to this legislative change, annexation could only occur by referendum in both affected municipalities which, in addition to being cumbersome, was a process that was very unlikely to be successful absent extraordinary circumstances.

With the enactment of Act 41, the possibility of a boundary change by municipal agreement could assist in the land development process in those situations where there is no benefit to the municipality in which a very small portion of the property is located, and therefore, that municipality may be willing to agree to transfer that land to the other municipal jurisdiction. As mentioned, this would require that both municipalities agree to this boundary change. While that is not always realistic, it may be worth exploring in these situations.

Additionally, there would be some cost associated with this process. The biggest practical concern is that, if the municipalities can agree, the change to municipal boundary lines is not effective until the following January 1st after enactment of the ordinance (and potentially the second following January 1st if the ordinance is adopted in the last 60 days of the year). Therefore, if this process is a potential option for resolution of dual municipal review, it is one that must be started early to have any beneficial effect.

If you have any questions about changes relating to Act 41, please <u>contact me</u> or any member of <u>Barley Snyder's</u> <u>Real Estate Practice Group</u>.

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