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City Sues State Over Convention Center Takeover Law

PHILADELPHIA--The City of Philadelphia filed suit today against The Commonwealth of Pennsylvania, the Pennsylvania General Assembly and the Pennsylvania Convention Center Authority to enjoin implementation of new legislation, which changes the governance of the Convention Center Authority, operation of the Philadelphia Parking Authority, and the contract arbitration process for uniformed workers. The City alleges that the law at issue, Act 230 of 2002, violates several sections of the Pennsylvania Constitution that control legislation, including the prohibition against treating unrelated subjects in a single statute, and the requirement that the title of an act fairly describe its subject matter. The purpose of these provisions is to ensure that the General Assembly has a full and fair opportunity to consider proposed legislation, which it clearly did not in this case. On its final passage, the bill was one of 191 bills considered by the House and one of 219 considered by the Senate in the three days preceding the passage prior to adjournment on November 28, 2002.

The lawsuit states: "The Philadelphia region is already beginning to see the negative effects of this legislation. Among many other fundamental changes, some of its provisions tamper with the governance of the Pennsylvania Convention Center, and have already stopped progress in its tracks. Certain unions which had previously committed to proceed under an all-important agreement to improve Convention Center service are no longer willing to do so. The ambiguities in how the changes in governance are to be implemented have resulted in Board gridlock." In the future, the validity of contracts entered into by an unconstitutionally-convened Board could be suspect, and this could deter others from entering into contracts involving the Convention Center.

(more)

The effects of this paralysis threaten one of the region's major economic engines, the hospitality industry. At stake are 56,000 city jobs accounting for 10% of the city's workforce and an additional 80,000 jobs in the suburbs. Philadelphia generates \$3 billion in domestic travel spending; the regional figure is \$8.1 billion. The Convention Center drives this growth, spurring 10 million visitors annually who have spent \$2.6 billion since the Center opened. In 2002 alone, Convention delegates booked more than 500,000 room nights and spent \$240 million.

The new law is an extreme example of "stealth legislation" which violated constitutional requirements, and became law without any meaningful consideration by the General Assembly. For more than a year, the legislation was pending as a bill focused on minor changes in residency requirements for suburban business districts. The City's suit alleges that two days before the Thanksgiving recess, more than 100 pages were added to the bill. These pages contained densely worded, lengthy new amendments that are completely unrelated to one another and, unrelated to the original version of the bill -- such as the functioning of the Philadelphia Parking Authority, the Pennsylvania Convention Center, the labor arbitration process for Philadelphia police and firefighters, and bonding requirements for contractors in redevelopment projects. A list of these provisions is attached.

The Senate acted so quickly in adopting SB 1100 that it later realized that one of its provisions might be read to have inadvertently repealed a hotel tax in the City of Philadelphia. The next day, the legislature rushed to correct this error by introducing and enacting another bill.

The City's complaint was filed in Commonwealth Court. At the same time, a petition was filed in the Pennsylvania Supreme Court, asking the high court to take immediate jurisdiction of the case because of its public importance.

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