

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2500 Session of
1990

INTRODUCED BY EVANS, TRELLO, FOX, KOSINSKI, NAHILL, KENNEY,
GODSHALL, MELIO, MORRIS, JOSEPHS, SAURMAN, BILLOW, DALEY,
PESCI, WOZNIAK, JAMES AND R. C. WRIGHT, APRIL 25, 1990

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 25, 1990

AN ACT

1 Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An
2 act providing for the incorporation as bodies corporate and
3 politic of "Authorities" for municipalities, counties and
4 townships; prescribing the rights, powers and duties of such
5 Authorities heretofore or hereafter incorporated; authorizing
6 such Authorities to acquire, construct, improve, maintain and
7 operate projects, and to borrow money and issue bonds
8 therefor; providing for the payment of such bonds, and
9 prescribing the rights of the holders thereof; conferring the
10 right of eminent domain on such Authorities; authorizing such
11 Authorities to enter into contracts with and to accept grants
12 from the Federal Government or any agency thereof; and
13 conferring exclusive jurisdiction on certain courts over
14 rates," providing for the financing of working capital for
15 hospitals and health centers and certain colleges and
16 universities through loans by the authorities.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. Section 2(j) of the act of May 2, 1945 (P.L.382,
20 No.164), known as the Municipality Authorities Act of 1945,
21 amended October 21, 1988 (P.L.1041, No.117), is amended and the
22 section is amended by adding a clause to read:

23 Section 2. Definitions.--The following terms whenever used
24 or referred to in this act shall have the following meanings,

1 except in those instances where the context clearly indicates
2 otherwise:

3 * * *

4 (j) The term "project" shall mean equipment to be leased by
5 an Authority to the municipality or municipalities that
6 organized it or to any municipality or school district located
7 wholly or partially within the boundaries of the municipality or
8 municipalities that organized it, or any structure, facility or
9 undertaking which an Authority is authorized to acquire,
10 construct, finance, improve, maintain or operate under the
11 provisions of this act, or any working capital which an
12 Authority is authorized to finance under the provisions of this
13 act.

14 * * *

15 (p) The term "working capital" shall mean and include, but
16 shall not be limited to, funds for supplies, materials,
17 services, salaries, pensions and any other proper operating
18 expenses; provided that "working capital" shall be limited
19 solely to hospitals and health centers, and private, nonprofit,
20 nonsectarian colleges and universities, State-related
21 universities and community colleges, which are determined by the
22 Authority to be eligible educational institutions.

23 Section 2. The introductory paragraph of clause (a) and
24 clause (b)(2) of subsection A of section 4 of the act, amended
25 October 21, 1988 (P.L.1041, No.117), are amended to read:

26 Section 4. Purposes and Powers; General.--A. Every
27 Authority incorporated under this act shall be a body corporate
28 and politic.

29 (a) The Authority shall be for the purpose of financing
30 working capital and of acquiring, holding, constructing,

1 financing, improving, maintaining and operating, owning,
2 leasing, either in the capacity of lessor or lessee, projects of
3 the following kind and character:

4 * * *

5 (b) This section is subject to the following limitations:

6 * * *

7 (2) The purpose and intent of this act being to benefit the
8 people of the Commonwealth by, among other things, increasing
9 their commerce, health, safety and prosperity, and not to
10 unnecessarily burden or interfere with existing business by the
11 establishment of competitive enterprises, none of the powers
12 granted by this act shall be exercised in the construction,
13 financing, improvement, maintenance, extension or operation of
14 any project or projects which in whole or in part shall
15 duplicate or compete with existing enterprises serving
16 substantially the same purposes. This limitation shall not apply
17 to the exercise of the powers granted hereunder:

18 (i) for facilities and equipment for the collection, removal
19 or disposal of ashes, garbage, rubbish and other refuse
20 materials by incineration, land fill or other methods, if each
21 municipality organizing or intending to use the facilities of an
22 Authority having such powers shall declare by resolution or
23 ordinance that it is desirable for the health and safety of the
24 people of such municipality that it use the facilities of the
25 Authority, and if any contract between such municipality and any
26 other person, firm or corporation for the collection, removal or
27 disposal of ashes, garbage, rubbish and other refuse material
28 has by its terms expired or is terminable at the option of the
29 municipality or will expire within six months from the date such
30 ordinance becomes effective; nor

1 (ii) for industrial development projects if the Authority
2 does not develop industrial projects which will compete with
3 existing industries; nor

4 (iii) for Authorities created for the purpose of providing
5 business improvements and administrative services if each
6 municipality organizing an Authority for such a project shall
7 declare by resolution or ordinance that it is desirable for the
8 entire municipality to improve the business district; nor

9 (iv) to hospital projects or health centers to be leased to,
10 or financed with loans to, public hospitals, nonprofit
11 corporation health centers or nonprofit hospital corporations
12 serving the public or to school building projects and facilities
13 to be leased to, or financed with loans to, private, nonprofit,
14 nonsectarian colleges and universities, State-related
15 universities and community colleges, or to facilities, limited
16 as described above, to produce steam or to generate electric
17 power, if each municipality organizing an Authority for such a
18 project shall declare by resolution or ordinance that it is
19 desirable for the health, safety and welfare of the people in
20 the area served by such facilities to have such facilities
21 provided by, or financed through, an Authority[.]; nor

22 (v) to projects for financing working capital.

23 * * *

24 Section 3. This act shall take effect immediately.