

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1733 Session of
1990

INTRODUCED BY ROCKS AND SALVATORE, JULY 10, 1990

REFERRED TO URBAN AFFAIRS AND HOUSING, JULY 10, 1990

AN ACT

1 Providing for certain debt reports to be submitted by cities of
2 the first class to the Department of Community Affairs.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the First Class
7 City Debt Reporting Law.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Borrowing base." The annual arithmetic average of the total
13 revenues for the three full fiscal years ended next preceding
14 the date of the incurring of nonelectoral debt or lease rental
15 debt as set forth in a certificate stating the total revenues in
16 each of such years and stating such average, executed by the
17 authorized officials of the city or by an independent

1 accountant. If, within the three-year period, there has been an
2 expansion or contraction of the territorial or functional
3 jurisdiction of the city through transfer, merger, annexation or
4 assumption, in whole or in part, in relation to another local
5 government unit or an authority, the borrowing base shall be
6 calculated as if the expansion or contraction had occurred
7 within or prior to the commencement of the three-year period in
8 such manner as the statutes, charter provisions or court decree
9 shall provide or direct or, in the absence of such provisions,
10 as the department shall approve.

11 "City." A city of the first class.

12 "Department." The Department of Community Affairs of the
13 Commonwealth.

14 "School district." A school district of the first class.

15 Section 3. Annual debt report.

16 On or before March 15 of every year, the director of finance
17 for the city shall submit to the department an annual debt
18 report for the previous calendar year that includes the
19 following information:

20 (1) Gross indebtedness of the city, including any debt
21 incurred by or for the school district and any municipal
22 authority created by the city. The indebtedness of the school
23 district and any municipal authority created by the city
24 shall be listed separately.

25 (2) A list of each outstanding bond with its purpose,
26 the interest rate and repayment schedule for each bond and
27 the extent to which each bond is self-liquidating or
28 subsidized.

29 (3) The borrowing base for the city.

30 (4) The debt limit of the city according to section 12

1 of Article IX of the Constitution of Pennsylvania.

2 (5) A projection of debt requirements for the following
3 two calendar years.

4 Section 4. Independent evaluation.

5 The department shall evaluate or arrange to have outside
6 experts evaluate the city's debt situation and, if applicable,
7 make recommendations that might improve the city's debt rating
8 and financial condition.

9 Section 5. First report.

10 The first debt statement shall be submitted to the department
11 on or before March 15, 1991.

12 Section 6. Effective date.

13 This act shall take effect immediately.