

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 899 Session of
1995

INTRODUCED BY ZUG, KREBS, HENNESSEY, FICHTER AND FARMER,
FEBRUARY 28, 1995

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 28, 1995

AN ACT

1 Amending the act of July 12, 1972 (P.L.781, No.185), entitled,
2 as amended, "An act providing debt limits for local
3 government units, including municipalities and school
4 districts; providing the methods of incurring, evidencing,
5 securing and collecting debt; defining the powers and duties
6 of the Department of Community Affairs and certain other
7 public officers and agencies with respect thereto; exercising
8 the inherent legislative authority of the General Assembly by
9 providing additional over-all limitations on the incurring of
10 lease rental and other obligations for the acquisition of
11 capital assets to be repaid from the general tax revenues of
12 such local government units; imposing penalties for filing
13 false or untrue statements or refusing to give information
14 with respect to proceedings for the incurring of debt; and
15 conferring jurisdiction on the Commonwealth Court with
16 respect to certain proceedings relating to the incurring of
17 debt," further providing for the limitations on debt of
18 school districts.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. Section 202(a) and (b) of the act of July 12,
22 1972 (P.L.781, No.185), known as the Local Government Unit Debt
23 Act, reenacted and amended April 28, 1978 (P.L.124, No.52), is
24 amended to read:

25 Section 202. Limitations on the Incurring of Other Debt.--

26 (a) Except as provided in subsections (c), (d) and (e) of this

1 section and as otherwise specifically provided in this act, no
2 local government unit shall incur any new nonelectoral debt, if
3 the aggregate net principal amount of such new nonelectoral debt
4 together with all other net nonelectoral debt outstanding would
5 cause the total net nonelectoral debt of such local government
6 unit to exceed:

7 (i) one hundred per cent of its borrowing base in the case
8 of a school district of the first class;

9 (i.1) fifty per cent of its borrowing base in the case of
10 any school district of the second through fourth classes;

11 (ii) three hundred per cent of its borrowing base in the
12 case of a county; or

13 (iii) two hundred fifty per cent of its borrowing base in
14 the case of any other local government unit.

15 (b) Except as provided in subsections (c), (d) and (e) of
16 this section or as otherwise specifically provided in this act,
17 in the exercise of legislative control over the budgets and
18 expenditures of local government units and of the purposes for
19 which tax moneys and general revenues of local government units
20 may be expended, the General Assembly determines that no local
21 government unit shall incur any new lease rental debt or
22 nonelectoral debt, if the aggregate net principal amount of such
23 new debt together with any other net nonelectoral debt and net
24 lease rental debt then outstanding would cause the outstanding
25 total of net nonelectoral debt plus net lease rental debt of
26 such local government unit to exceed:

27 (i) two hundred per cent of the borrowing base in the case
28 of a school district of the first class;

29 (i.1) fifty per cent of its borrowing base in the case of
30 any school district of the second through fourth classes;

1 (ii) four hundred per cent of its borrowing base in the case
2 of a county; or

3 (iii) three hundred fifty per cent of its borrowing base in
4 the case of all other local government units.

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6 Section 2. This act shall take effect in 60 days.