

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1509 Session of
2011

INTRODUCED BY MURT, CALTAGIRONE, CLYMER, GEIST, GEORGE, GIBBONS,
GOODMAN, LONGIETTI, MILLARD AND WAGNER, MAY 10, 2011

REFERRED TO COMMITTEE ON FINANCE, MAY 10, 2011

AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
as amended, "An act relating to the finances of the State
government; providing for the settlement, assessment,
collection, and lien of taxes, bonus, and all other accounts
due the Commonwealth, the collection and recovery of fees and
other money or property due or belonging to the Commonwealth,
or any agency thereof, including escheated property and the
proceeds of its sale, the custody and disbursement or other
disposition of funds and securities belonging to or in the
possession of the Commonwealth, and the settlement of claims
against the Commonwealth, the resettlement of accounts and
appeals to the courts, refunds of moneys erroneously paid to
the Commonwealth, auditing the accounts of the Commonwealth
and all agencies thereof, of all public officers collecting
moneys payable to the Commonwealth, or any agency thereof,
and all receipts of appropriations from the Commonwealth,
authorizing the Commonwealth to issue tax anticipation notes
to defray current expenses, implementing the provisions of
section 7(a) of Article VIII of the Constitution of
Pennsylvania authorizing and restricting the incurring of
certain debt and imposing penalties; affecting every
department, board, commission, and officer of the State
government, every political subdivision of the State, and
certain officers of such subdivisions, every person,
association, and corporation required to pay, assess, or
collect taxes, or to make returns or reports under the laws
imposing taxes for State purposes, or to pay license fees or
other moneys to the Commonwealth, or any agency thereof,
every State depository and every debtor or creditor of the
Commonwealth," further providing, in Local Government Capital
Project Loan Fund provisions, for assistance to
municipalities.

The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 1603-D of the act of April 9, 1929
3 (P.L.343, No.176), known as The Fiscal Code, amended or added
4 October 6, 1997 (P.L.387, No.46) and July 5, 2006 (P.L.296,
5 No.66), is amended to read:

6 Section 1603-D. Assistance to Municipalities.--(a) The
7 department is hereby authorized, upon application of a
8 municipality, to make loans to the municipality for the
9 following purposes and in the following amounts:

10 1. Purchasing equipment. The amount of a loan made for
11 purchasing equipment shall not exceed [twenty-five thousand
12 dollars (\$25,000)] fifty thousand dollars (\$50,000) for any
13 single piece of equipment or fifty per centum of the total cost
14 of the piece of equipment, whichever is less.

15 2. Purchasing, constructing, renovating or rehabilitating
16 facilities. The amount of a loan made for purchasing,
17 constructing, renovating or rehabilitating facilities shall not
18 exceed [fifty thousand dollars (\$50,000)] one hundred thousand
19 dollars (\$100,000) for any single facility or fifty per centum
20 of the total cost for purchasing, constructing, renovating or
21 rehabilitating the facility, whichever is less.

22 [3. Temporary increase in loan limits. For the fiscal year
23 commencing July 1, 2006, loans issued pursuant to paragraph 1
24 shall not exceed fifty thousand dollars (\$50,000) and issued
25 pursuant to paragraph 2 shall not exceed one hundred thousand
26 dollars (\$100,000).]

27 (b) Loans made by the department for the purchase of
28 equipment shall be for a period not to exceed the useful life of
29 the equipment, and loans made for the purchase, construction,
30 renovation or rehabilitation of facilities shall be for a period

1 of not more than [ten] twenty years. Loans shall be subject to
2 the payment of interest at two per centum per annum and shall be
3 subject to such security as shall be determined by the
4 department. The total amount of interest earned by the
5 investment or reinvestment of all or any part of the principal
6 of any loan shall be returned to the department and transferred
7 to the fund and shall not be credited as payment of principal or
8 interest on the loan. The minimum amount of any loan shall be
9 one thousand dollars (\$1,000). The municipality shall comply
10 with the approval requirements of 53 Pa.C.S. Ch. 80 Subch. C
11 (relating to procedure for securing approval of electors).

12 (c) Every application for a loan under this article shall be
13 accompanied by a financial statement of the municipality and a
14 financial plan to show how the loan will be repaid. Every
15 application shall be accompanied by evidence sufficient to show
16 that all costs, except the amount of the loan, will be met by
17 assets or revenues of the municipality, grants or loans from
18 other sources or in-kind contributions or services.

19 (d) Loans under this article shall be used for purchasing
20 equipment and for purchasing, constructing, renovating or
21 rehabilitating facilities and shall not be used for operating
22 expenses or for the refinancing or reduction of any debt or
23 obligation incurred prior to the effective date of this article.

24 (e) Loans made by the department shall be paid from the fund
25 to municipalities in accordance with rules and regulations
26 promulgated by the department.

27 (f) All payments of interest on loans and the principal
28 thereof shall be deposited by the department in the fund.

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