

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 591 Session of 2013

INTRODUCED BY VULAKOVICH, YUDICHAK, EICHELBERGER, PILEGGI, ALLOWAY, ARGALL, BAKER, BREWSTER, BROWNE, BRUBAKER, ERICKSON, FERLO, FONTANA, GORDNER, GREENLEAF, HUTCHINSON, ROBBINS, SMITH, SOLOBAY, STACK, VANCE, VOGEL, WASHINGTON, WAUGH, WHITE AND YAW, MARCH 1, 2013

REFERRED TO LOCAL GOVERNMENT, MARCH 1, 2013

AN ACT

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

1 municipalities.

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

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

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

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

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

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

29 (b) Loans made by the department for the purchase of  
30 equipment shall be for a period not to exceed the useful life of

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

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

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

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

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

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