

**MUNICIPALITY AUTHORITIES ACT OF 1945 - AMEND**

**Act of Dec. 19, 1990, P.L. 1396, No. 217**

**Cl. 64**

Session of 1990

No. 1990-217

**AN ACT**

HB 2309

Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An act providing for the incorporation as bodies corporate and politic of 'Authorities' for municipalities, counties and townships; prescribing the rights, powers and duties of such Authorities heretofore or hereafter incorporated; authorizing such Authorities to acquire, construct, improve, maintain and operate projects, and to borrow money and issue bonds therefor; providing for the payment of such bonds, and prescribing the rights of the holders thereof; conferring the right of eminent domain on such Authorities; authorizing such Authorities to enter into contracts with and to accept grants from the Federal Government or any agency thereof; and conferring exclusive jurisdiction on certain courts over rates," further defining "eligible educational institution"; further providing for the general powers and duties of an authority; and regulating an owner's liability for a tenant's bill.

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

Section 1. Section 2(m) of the act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, added February 8, 1982 (P.L.20, No.10), is amended to read:

Section 2. Definitions.--The following terms whenever used or referred to in this act shall have the following meanings, except in those instances where the context clearly indicates otherwise:

\* \* \*

(m) The term "eligible educational institution" shall mean an independent institution of higher education located in and chartered by[,] the Commonwealth **or a private, secondary school located in this Commonwealth and approved by the Department of Education,** which is not a State-owned institution, which is operated not for profit, which is determined by the Authority not to be a theological seminary or school of theology or a sectarian and denominational institution and which is approved as eligible by the Authority pursuant to regulations approved by it.

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Section 2. Clauses (a)(15) and (b)(2)(iv) of subsection A of section 4 of the act, amended June 22, 1990 (P.L.236, No.54), are amended and subsection B is amended by adding clauses to read:

Section 4. Purposes and Powers; General.--A. Every Authority incorporated under this act shall be a body corporate and politic, and shall be for the purpose of acquiring, holding, constructing, improving, maintaining and operating, owning, leasing, either in the capacity of lessor or lessee, projects of the following kind and character and providing financing for insurance reserves.

(a) The Authority shall be for the purpose of acquiring, holding, constructing, financing, improving, maintaining and operating, owning, leasing, either in the capacity of lessor or lessee, projects of the kind and character described in the following subclauses and for the purpose of providing financing for insurance reserves:

\* \* \*

(15) buildings and facilities for private, nonprofit, nonsectarian **secondary schools**, colleges and universities, State-related universities and community colleges, which are determined by the Authority to be eligible educational institutions provided that such buildings and facilities shall have been approved by resolution or ordinance adopted by the governing body of the municipality or municipalities organizing the Authority and that the approval does not obligate the taxing power of the governing body in any way;

\* \* \*

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

\* \* \*

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

\* \* \*

(iv) to hospital projects or health centers to be leased to, or financed with loans to, public hospitals, nonprofit corporation health centers or nonprofit hospital corporations serving the public or to school building projects and facilities to be leased to, or financed with loans to, private, nonprofit, nonsectarian **secondary schools**, colleges and universities, State-related universities and community colleges, or to facilities, limited as described above, to produce steam or to generate electric power, if each municipality organizing an Authority for such a project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such facilities to have such facilities provided by, or financed through an Authority; nor

\* \* \*

B. Every Authority is hereby granted, and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including but without limiting the generality of the foregoing, the following rights and powers:

\* \* \*

(h.1) In the case of an Authority which has agreed to provide water service through a separate meter and separate service line to a residential dwelling unit in which the owner does not reside, the owner shall be liable to pay the tenant's bill for service rendered to the tenant by the Authority only if the Authority notifies the owner and the tenant within thirty days after the bill first becomes overdue. Such notification shall be provided by first class mail to the address of the owner provided to the Authority by the owner and to the billing address of the tenant, respectively. Nothing herein shall be construed to require an Authority to terminate service to a tenant, provided that the owner shall not be liable for any service which the Authority provides to the tenant ninety or more days after the tenant's bill first becomes due unless the Authority has been prevented by court order from terminating service to that tenant.

(h.2) In the case of an Authority which has agreed to provide sewer service to a residential dwelling unit in which the owner does not reside, the Authority shall notify the owner and the tenant within thirty days after the tenant's bill for that service first becomes overdue. Such notification shall be provided by first class

mail to the address of the owner provided to the Authority by the owner and to the billing address of the tenant, respectively. Nothing herein shall be construed to relieve the owner of liability for such service unless the Authority fails to provide the notice required herein.

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Section 3. This act shall take effect in 60 days.

APPROVED--The 19th day of December, A. D. 1990.

ROBERT P. CASEY