

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1203 Session of 2019

INTRODUCED BY RYAN, BERNSTINE, T. DAVIS, GLEIM, GROVE, JAMES, KINSEY, MILLARD AND GILLEN, APRIL 15, 2019

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 20, 2019

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for money of authority.

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

6 Section 1. Section 5612(b) of the Title 53 of the
7 Pennsylvania Consolidated Statutes, AMENDED MAY 1, 2019 (P.L.25, <--
8 NO.4), is amended to read:

9 § 5612. Money of authority.

10 * * *

11 ~~(b) Report. A required annual report shall be published in <--~~
12 ~~accordance with the following:~~

13 ~~(1) Every authority whose fiscal year ends December 31-~~
14 ~~shall file on or before July 1 an annual report of its fiscal-~~
15 ~~affairs covering the preceding calendar year with the-~~
16 ~~Department of Community and Economic Development and with the-~~
17 ~~municipality creating the authority on forms prepared and-~~

1 distributed by the Department of Community and Economic
2 Development. Authorities whose fiscal year does not end on
3 December 31 shall file the report within 90 days after the
4 end of their fiscal year.

5 ~~(2) Every authority shall have its books, accounts and~~
6 ~~records audited annually by a certified public accountant,~~
7 ~~and a copy of his audit report shall be filed in the same~~
8 ~~manner and within the same time period as the annual report.~~

9 ~~The audit shall comply with the following standards, IF~~ <--
10 ~~APPLICABLE:~~

11 ~~(i) The generally accepted government auditing~~
12 ~~standards, including the standards published by the~~
13 ~~General GOVERNMENT Accountability Office.~~ <--

14 ~~(ii) The Single Audit Act of 1984 (31 U.S.C. § 7501~~
15 ~~et seq.).~~

16 ~~(iii) 2 C.F.R. CFR Pt. 200 (relating to the Uniform~~ <--
17 ~~administrative requirements, cost principles and audit~~
18 ~~requirements for Federal awards).~~

19 ~~(iv) Any other Federal or State requirements for an~~
20 ~~audit relating to the finances of an authority.~~

21 ~~(3) A concise financial statement shall be published~~
22 ~~annually at least once in a newspaper of general circulation~~
23 ~~in the municipality where the principal office of the~~
24 ~~authority is located. If the publication is not made by the~~
25 ~~authority, the municipality shall publish such statement at~~
26 ~~the expense of the authority.~~

27 ~~(4) If the authority fails to make such an audit OR IF~~ <--
28 ~~THE MUNICIPALITY DETERMINES THAT THERE IS A NEED FOR A~~
29 ~~REVIEW, then the controller, auditor or accountant designated~~
30 ~~by the municipality is hereby authorized and empowered from~~

1 ~~time to time to examine at the expense of the authority the~~
2 ~~accounts and books of it, including its receipts, BILLING~~ <--
3 ~~SYSTEMS, disbursements, contracts TRANSPARENCY OF CONTRACTS~~ <--
4 ~~AND HOW THE CONTRACTS ARE AWARDED, leases, sinking funds,~~
5 ~~investments, COMPLIANCE WITH RELEVANT FEDERAL AND STATE~~ <--
6 ~~STATUTES, CONFLICTS OF INTEREST BY THE AUTHORITY AND ITS~~
7 ~~BOARD MEMBERS, STAFF AND CONTRACTORS and any other matters~~
8 ~~relating to its finances, operation and affairs. In the~~ <--
9 ~~course of performing a financial audit under this subsection~~
10 ~~the municipality may request the Auditor General to perform~~
11 ~~the audit. IF THE REVIEW BY THE MUNICIPALITY IS CONDUCTED~~ <--
12 ~~WITHIN A YEAR OF AN AUTHORITY'S ANNUAL AUDIT REQUIRED UNDER~~
13 ~~PARAGRAPH (2), THE REVIEW SHALL BE DONE AT THE EXPENSE OF THE~~
14 ~~MUNICIPALITY AND THE AUTHORITY SHALL BE EXEMPT THE FOLLOWING~~
15 ~~FISCAL YEAR FROM CONDUCTING AN AUDIT. IF THE REVIEW BY THE~~
16 ~~MUNICIPALITY IS BEING DONE DUE TO THE FAILURE OF THE~~
17 ~~AUTHORITY TO MAKE AN ANNUAL AUDIT, THE REVIEW SHALL BE AT THE~~
18 ~~EXPENSE OF THE AUTHORITY.~~

19 (B) REPORT.--A REQUIRED ANNUAL REPORT SHALL BE PUBLISHED IN <--
20 ACCORDANCE WITH THE FOLLOWING:

21 (1) EVERY AUTHORITY SHALL FILE, ON OR BEFORE 180 DAYS
22 FOLLOWING THE END OF ITS FISCAL YEAR, AN ANNUAL REPORT OF ITS
23 FISCAL AFFAIRS COVERING THE PRECEDING FISCAL YEAR WITH THE
24 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND WITH THE
25 MUNICIPALITY OR MUNICIPALITIES CREATING THE AUTHORITY ON
26 FORMS PREPARED AND DISTRIBUTED BY THE DEPARTMENT OF COMMUNITY
27 AND ECONOMIC DEVELOPMENT. THE REPORTS SHALL ALSO BE PROVIDED,
28 AND MAY BE PROVIDED ELECTRONICALLY, TO ANY OTHER MUNICIPALITY
29 THAT HAS RESIDENTS SERVED BY THE AUTHORITY.

30 (2) EVERY AUTHORITY SHALL HAVE ITS BOOKS, ACCOUNTS AND

1 RECORDS AUDITED ANNUALLY BY A CERTIFIED PUBLIC ACCOUNTANT,
2 AND A COPY OF [HIS] THE AUDIT REPORT SHALL BE FILED IN THE
3 SAME MANNER AND WITHIN THE SAME TIME PERIOD AS THE ANNUAL
4 REPORT. THE AUDIT SHALL COMPLY WITH THE FOLLOWING, IF
5 APPLICABLE:

6 (I) THE GENERALLY ACCEPTED GOVERNMENT AUDITING
7 STANDARDS, INCLUDING THE STANDARDS PUBLISHED BY THE
8 GOVERNMENT ACCOUNTABILITY OFFICE.

9 (II) THE SINGLE AUDIT ACT OF 1984 (31 U.S.C. § 7501
10 ET SEQ.).

11 (III) 2 CFR PT. 200 (RELATING TO THE UNIFORM
12 ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND AUDIT
13 REQUIREMENTS FOR FEDERAL AWARDS).

14 (IV) ANY OTHER FEDERAL OR STATE REQUIREMENTS FOR AN
15 AUDIT RELATING TO THE FINANCES OF AN AUTHORITY.

16 (3) A CONCISE FINANCIAL STATEMENT SHALL BE PUBLISHED
17 ANNUALLY AT LEAST ONCE IN A NEWSPAPER OF GENERAL CIRCULATION
18 IN THE MUNICIPALITY WHERE THE PRINCIPAL OFFICE OF THE
19 AUTHORITY IS LOCATED. IF THE PUBLICATION IS NOT MADE BY THE
20 AUTHORITY, THE MUNICIPALITY SHALL PUBLISH SUCH STATEMENT AT
21 THE EXPENSE OF THE AUTHORITY.

22 (4) IF THE AUTHORITY FAILS TO MAKE SUCH AN AUDIT OR IF
23 THE MUNICIPALITY DETERMINES THAT THERE IS A NEED FOR A
24 REVIEW, THEN THE CONTROLLER, AUDITOR OR ACCOUNTANT DESIGNATED
25 BY THE MUNICIPALITY IS HEREBY AUTHORIZED AND EMPOWERED FROM
26 TIME TO TIME TO EXAMINE [AT THE EXPENSE OF THE AUTHORITY] THE
27 ACCOUNTS AND BOOKS OF IT, INCLUDING ITS RECEIPTS, BILLING
28 SYSTEMS, DISBURSEMENTS, [CONTRACTS] TRANSPARENCY OF CONTRACTS
29 AND HOW THE CONTRACTS ARE AWARDED, LEASES, SINKING FUNDS,
30 INVESTMENTS, COMPLIANCE WITH RELEVANT FEDERAL AND STATE

1 STATUTES, CONFLICTS OF INTEREST BY THE AUTHORITY AND ITS
2 BOARD MEMBERS, STAFF AND CONTRACTORS AND ANY OTHER MATTERS
3 RELATING TO ITS FINANCES, OPERATION AND AFFAIRS. THE REVIEW
4 BY THE MUNICIPALITY SHALL BE CONDUCTED WITHIN A YEAR OF AN
5 AUTHORITY'S ANNUAL AUDIT REQUIRED UNDER PARAGRAPH (2), THE
6 REVIEW SHALL BE DONE AT THE EXPENSE OF THE MUNICIPALITY AND
7 THE AUTHORITY SHALL BE EXEMPT THE FOLLOWING FISCAL YEAR FROM
8 CONDUCTING AN AUDIT. IF THE REVIEW BY THE MUNICIPALITY IS
9 BEING DONE DUE TO THE FAILURE OF THE AUTHORITY TO MAKE AN
10 ANNUAL AUDIT, THE REVIEW SHALL BE AT THE EXPENSE OF THE
11 AUTHORITY.

12 * * *

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