
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1296 Session of
1997

INTRODUCED BY VITALI, CLARK, CARONE, MASLAND, COY, KREBS, MELIO,
RUBLEY, SCRIMENTI, BROWNE, CIVERA, STEELMAN, TIGUE, MUNDY,
PRESTON, LEVDANSKY, CURRY AND C. WILLIAMS, APRIL 10, 1997

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 10, 1997

AN ACT

1 Providing for regulation of bond services of the Commonwealth
2 and its agencies, authorities and commissions.

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

5 Section 1. Declaration of policy.

6 The General Assembly finds and declares as follows:

7 (1) Recipients of contracts to perform bond services for
8 the Commonwealth have in the past made substantial
9 contributions to Commonwealth elected officials.

10 (2) The Commonwealth pays more for bond service than
11 states which make awards on the basis of competitive bidding.

12 (3) This has created the public perception that
13 contracts for bond services are awarded on the basis of
14 political consideration and has thus eroded public trust and
15 confidence in State government.

16 (4) Awarding of bond service contracts to the lowest
17 responsible bidder is the best method to ensure the lowest

price to taxpayers and the highest degree of integrity in the bond service award process.

Section 2. Bond services.

(a) Bids.--Any and all bond services performed for the Commonwealth, its agencies, authorities and commissions which cannot be performed by employees of the Commonwealth shall be contracted with and performed by the bond service provider submitting the lowest responsible bid.

(b) Request for proposal.--For each bond service required to be performed for the Commonwealth, its agencies, authorities or commissions, the issuing authority shall distribute a request for proposal requiring a written response.

(c) Written report.--After each bond service provider is selected, the issuing authority shall issue a written report of the selection of the service provider and the basis therefor. A copy of the request for proposal and the responses thereto shall be made a part of the report. This report shall be made available to the public.

(d) Definitions.--As used in this act, the following words and phrases shall have the meanings given to them in this subsection:

"Bond services." Legal, financial and other services by a bond service provider rendered in conjunction with any bonds issued.

"Bond service provider." Any bond counsel, financial adviser, underwriter, loan and transfer agent, verification agent or printer who provides bond services.

Section 3. Effective date.

This act shall take effect immediately.