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 cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; 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," in Local Government Capital Project Loan Fund, further providing for definitions, for assistance to municipalities and for powers and duties of department.

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

Section 1. The definition of "municipality" in section 1602-D of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended to read:

Section 1602-D. Definitions.--As used in this article--
* * *
"Municipality" shall mean any borough, town, first class township, second class township, third class city or county, provided that the term shall not include any boroughs, towns, townships, cities or counties which have a population in excess of 12,000.

Section 2. Sections 1603-D(a) and (b) and 1605-D of the act are amended to read:

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

1. Purchasing equipment. The amount of a loan made for purchasing equipment shall not exceed [fifty thousand dollars ($50,000)] one hundred fifty thousand dollars ($150,000) for any single piece of equipment or fifty per centum of the total cost of the piece of equipment, whichever is less.

2. Purchasing, constructing, renovating or rehabilitating facilities. The amount of a loan made for purchasing, constructing, renovating or rehabilitating facilities shall not exceed [one hundred thousand dollars ($100,000)] two hundred and
fifty thousand dollars ($250,000) for any single facility or
fifty per centum of the total cost for purchasing, constructing,
renovating or rehabilitating the facility, whichever is less.

(b) Loans made by the department for the purchase of
equipment shall be for a period not to exceed the useful life of
the equipment, and loans made for the purchase, construction,
renovation or rehabilitation of facilities shall be for a period
of not more than fifteen years. Loans shall be subject to the
payment of interest at [two per centum per annum and] a rate set
at the ten-year United States Treasury rate rounded to the
closest quarter point, NOT TO EXCEED TWO PER CENTUM PER ANNUM.

Loan applications shall be subject to the interest rate in
effect at the time a complete application is submitted to the
department, which shall be the fixed rate for the full term of
the loan. Loans shall be subject to such security as shall be
determined by the department. The total amount of interest
earned by the investment or reinvestment of all or any part of
the principal of any loan shall be returned to the department
and transferred to the fund and shall not be credited as payment
of principal or interest on the loan. The minimum amount of any
loan shall be one thousand dollars ($1,000). The municipality
shall comply with the approval requirements of 53 Pa.C.S. Ch. 80
Subch. C (relating to procedure for securing approval of
electors).

* * *

Section 1605-D. Powers and Duties of Department.--In
addition to the powers and duties conferred upon the department
under other provisions of law, the department shall have the
power and duty to:

1. Lend money for the purposes authorized by this article
over a term of years, but in no case in excess of fifteen years.

2. Accept grants from the Federal Government and any other individual, agency or government for use in the fund.

3. Prescribe the form of the application for a loan pursuant to this article.

4. Advise a municipality regarding the financial ability of the municipality to purchase equipment or to purchase, construct, renovate or rehabilitate facilities.

5. Assist a municipality in taking advantage of joint purchasing arrangements and of opportunities to purchase surplus equipment from the Commonwealth or other political subdivisions.

6. Require security for a loan, if determined to be necessary.

7. Specify priority of liens against any facilities or equipment purchased by a municipality using funds loaned pursuant to this article, if determined to be necessary.

8. Establish a schedule which provides at least an annual opportunity for municipalities to apply for and receive loans.

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