AN ACT

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in incurring debt and issuing bonds and notes, further providing for approval by court to fund unfunded debt.

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

Section 1. Section 8130(b) of Title 53 of the Pennsylvania Consolidated Statutes is amended and the section is amended by adding a subsection to read:

§ 8130. Approval by court to fund unfunded debt.

* * *

(b) Issuance and sale of bonds or notes.--The bonds or notes representing funding debt so authorized by the court shall be issued and sold by the governing body as provided by other provisions of this subpart in respect of general obligation bonds except as these provisions are modified by this section or by orders of the court issued under this section, and, except as provided under subsection (d), the proceedings filed by the local government unit in respect of the funding bonds under
section 8201 (relating to certification to department of bond or
note transcript or lease, guaranty, subsidy contract or other
agreement) shall include certified copies of the petition and of
the order of the court.

* * *

(d) Exception to court approval during COVID-19 disaster
emergency.--The following shall apply:

(1) A local government unit that is also a municipality
may issue bonds or notes to fund unfunded debt without
petition or court approval after the effective date of this
subsection, subject to the following:

(i) The governing body shall, by resolution,
authorize the issuance of bonds or notes with findings
that, due to the COVID-19 pandemic:

(A) there has been an unforeseeable decline or
delay in revenues or that taxes levied have not
produced the revenues anticipated or that it was not
reasonable to foresee the obligation;

(B) paying the debt by curtailing municipal
services will be dangerous to the public health or
safety;

(C) additional Federal or Commonwealth funds are
not available or sufficient to defray the obligation;

and

(D) it is not feasible or not in the public
interest to levy additional taxes in the current
fiscal year.

(ii) The resolution under subparagraph (i) shall
also set forth the amount of the unfunded debt to be
funded by the bonds or notes.
(iii) The funding debt shall be charged against the nonelectoral debt limits of the local government unit under section 8022 (relating to limitations on incurring of other debt), and shall mature over a number of years not to exceed 10. Nothing in this subsection shall preclude the issuance of emergency debt to the extent authorized by this subpart during the COVID-19 disaster emergency.

(iv) In addition to the requirements of section 8204 (relating to certificate of approval of transcript), the department shall examine any bond or note transcripts or other filings and shall only certify approval if the municipality certifies to the department that the unfunded debt amount is equal to or less than the decline or delay in revenue reasonably attributable to the COVID-19 pandemic.

(2) A local government unit that issues bonds or notes under this subsection shall report the amount of unfunded debt funded and the terms of the issue to the Pennsylvania Local Government Commission within 30 days of the issuance. The Commission shall prepare a report for the General Assembly within one year of the expiration of this subsection.

(3) As used in this section, the term "COVID-19 disaster emergency" means the proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), any renewal of the proclamation of disaster emergency or any other proclamation of disaster emergency related to the novel coronavirus, known as COVID-19, issued by the Governor in accordance with 35 Pa.C.S. §...
7301(c) (relating to general authority of Governor).

(4) This subsection shall expire December 31, 2021.

Section 2. This act shall take effect immediately.