

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 280

Session of
1983

INTRODUCED BY E. Z. TAYLOR, FREIND, COWELL, RYAN, J. L. WRIGHT,
SCHULER, MORRIS, STAIRS, TELEK, ITKIN, FARGO, WASS, PITTS AND
POTT, FEBRUARY 16, 1983

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 16, 1983

AN ACT

1 Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An
2 act providing for the incorporation as bodies corporate and
3 politic of 'Authorities' for municipalities, counties and
4 townships; prescribing the rights, powers and duties of such
5 Authorities heretofore or hereafter incorporated; authorizing
6 such Authorities to acquire, construct, improve, maintain and
7 operate projects, and to borrow money and issue bonds
8 therefor; providing for the payment of such bonds, and
9 prescribing the rights of the holders thereof; conferring the
10 right of eminent domain on such Authorities; authorizing such
11 Authorities to enter into contracts with and to accept grants
12 from the Federal Government or any agency thereof; and
13 conferring exclusive jurisdiction on certain courts over
14 rates," providing for the nonpayment of rentals or other sums
15 by eligible educational institutions.

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

18 Section 1. The act of May 2, 1945 (P.L.382, No.164), known
19 as the Municipality Authorities Act of 1945, is amended by
20 adding a section to read:

21 Section 4.1. Nonpayment of Rentals or Other Sums.--A. In
22 all cases where an eligible educational institution fails to pay
23 or provide for the payment of any rental or rentals or other
24 sums due to any Authority in accordance with any lease or other

contract entered into between the Authority and the institution,
the Authority shall give written notice of nonpayment by an
institution to the State Treasurer, the Executive Director of
the Pennsylvania Higher Education Assistance Agency and the
Secretary of Education.

B. The State Treasurer, upon receipt of written notice from
an Authority, may:

(a) Notify the institution of its obligation and of the
withholding provisions of this section.

(b) Withhold, out of any State appropriations or other
grants or subsidies payable to the institution, an amount equal
to the unpaid rentals or other sums owed by the institution.

(c) Request the Auditor General to issue a warrant for
payment to the Authority of the amount withheld. Upon receipt of
a written request from the State Treasurer, the Auditor General
shall issue to the State Treasurer a warrant for payment to the
Authority of the amount withheld. The State Treasurer shall pay
over the amount withheld to the Authority, and the Authority
shall apply that payment to the rental or other sums due from
the institution.

C. If there is no State appropriation payable to the
institution, or if the amount of the State appropriation is
insufficient to cover the amount of the unpaid rentals or other
sums owed by the institution, the State Treasurer shall so
inform the Executive Director of the Pennsylvania Higher
Education Assistance Agency. The Executive Director, upon
receipt of written notice from the State Treasurer, may:

(a) Notify the institution of its obligation and of the
withholding provisions of this section.

(b) Withhold, out of any institutional assistance grants

1 payable to the institution, as provided for by the act of July
2 18, 1974 (P.L.483, No.174), known as "The Institutional
3 Assistance Grants Act," an amount equal to the unpaid rentals or
4 other sums owed by the institution. The Executive Director shall
5 pay over the amount withheld to the Authority and the Authority
6 shall apply that payment to the rentals or other sums due from
7 the institution.

8 Section 2. All acts and parts of acts are repealed insofar
9 as they are inconsistent with this act.

10 Section 3. This act shall take effect immediately.