

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2309 Session of
1990

INTRODUCED BY LLOYD, DEMPSEY, HALUSKA, RAYMOND, PETRARCA,
TANGRETTI, COY, PESCI, FLICK, DISTLER, SCHEETZ, NOYE,
LaGROTTA, VAN HORNE, BELFANTI, STEIGHNER, TRICH, BURD,
GODSHALL, TIGUE, GIGLIOTTI, McVERRY, D. W. SNYDER, HASAY,
LEVDANSKY, JOHNSON, LAUGHLIN, PISTELLA, BUNT, E. Z. TAYLOR,
S. H. SMITH, D. R. WRIGHT, TELEK, BELARDI, WOGAN AND
RICHARDSON, MARCH 12, 1990

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 14, 1990

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," FURTHER DEFINING "ELIGIBLE EDUCATIONAL INSTITUTION"; <—
15 FURTHER PROVIDING FOR THE GENERAL POWERS AND DUTIES OF AN
16 AUTHORITY; AND regulating an owner's liability for a tenant's
17 bill.

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

20 ~~Section 1. Subsection B of section 4 of the act of May 2,~~ <—
21 ~~1945 (P.L.382, No.164), known as the Municipality Authorities~~
22 ~~Act of 1945, is amended by adding clauses to read:~~

1 ~~Section 4. Purposes and Powers; General. * * *~~

2 SECTION 1. SECTION 2(M) OF THE ACT OF MAY 2, 1945 (P.L.382, <—
3 NO.164), KNOWN AS THE MUNICIPALITY AUTHORITIES ACT OF 1945,
4 ADDED FEBRUARY 8, 1982 (P.L.20, NO.10), IS AMENDED TO READ:

5 SECTION 2. DEFINITIONS.--THE FOLLOWING TERMS WHENEVER USED
6 OR REFERRED TO IN THIS ACT SHALL HAVE THE FOLLOWING MEANINGS,
7 EXCEPT IN THOSE INSTANCES WHERE THE CONTEXT CLEARLY INDICATES
8 OTHERWISE:

9 * * *

10 (M) THE TERM "ELIGIBLE EDUCATIONAL INSTITUTION" SHALL MEAN
11 AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION LOCATED IN AND
12 CHARTERED BY, THE COMMONWEALTH OR A PRIVATE, SECONDARY SCHOOL
13 LOCATED IN THIS COMMONWEALTH AND APPROVED BY THE DEPARTMENT OF
14 EDUCATION, WHICH IS NOT A STATE-OWNED INSTITUTION, WHICH IS
15 OPERATED NOT FOR PROFIT, WHICH IS DETERMINED BY THE AUTHORITY
16 NOT TO BE A THEOLOGICAL SEMINARY OR SCHOOL OF THEOLOGY OR A
17 SECTARIAN AND DENOMINATIONAL INSTITUTION AND WHICH IS APPROVED
18 AS ELIGIBLE BY THE AUTHORITY PURSUANT TO REGULATIONS APPROVED BY
19 IT.

20 * * *

21 SECTION 2. CLAUSES (A)(15) AND (B)(2)(IV) OF SUBSECTION A OF
22 SECTION 4 OF THE ACT, AMENDED JUNE 22, 1990 (P.L.236, NO.54),
23 ARE AMENDED AND SUBSECTION B IS AMENDED BY ADDING CLAUSES TO
24 READ:

25 SECTION 4. PURPOSES AND POWERS; GENERAL.--A. EVERY
26 AUTHORITY INCORPORATED UNDER THIS ACT SHALL BE A BODY CORPORATE
27 AND POLITIC, AND SHALL BE FOR THE PURPOSE OF ACQUIRING, HOLDING,
28 CONSTRUCTING, IMPROVING, MAINTAINING AND OPERATING, OWNING,
29 LEASING, EITHER IN THE CAPACITY OF LESSOR OR LESSEE, PROJECTS OF
30 THE FOLLOWING KIND AND CHARACTER AND PROVIDING FINANCING FOR

1 INSURANCE RESERVES.

2 (A) THE AUTHORITY SHALL BE FOR THE PURPOSE OF ACQUIRING,
3 HOLDING, CONSTRUCTING, FINANCING, IMPROVING, MAINTAINING AND
4 OPERATING, OWNING, LEASING, EITHER IN THE CAPACITY OF LESSOR OR
5 LESSEE, PROJECTS OF THE KIND AND CHARACTER DESCRIBED IN THE
6 FOLLOWING SUBCLAUSES AND FOR THE PURPOSE OF PROVIDING FINANCING
7 FOR INSURANCE RESERVES:

8 * * *

9 (15) BUILDINGS AND FACILITIES FOR PRIVATE, NONPROFIT,
10 NONSECTARIAN SECONDARY SCHOOLS, COLLEGES AND UNIVERSITIES,
11 STATE-RELATED UNIVERSITIES AND COMMUNITY COLLEGES, WHICH ARE
12 DETERMINED BY THE AUTHORITY TO BE ELIGIBLE EDUCATIONAL
13 INSTITUTIONS PROVIDED THAT SUCH BUILDINGS AND FACILITIES SHALL
14 HAVE BEEN APPROVED BY RESOLUTION OR ORDINANCE ADOPTED BY THE
15 GOVERNING BODY OF THE MUNICIPALITY OR MUNICIPALITIES ORGANIZING
16 THE AUTHORITY AND THAT THE APPROVAL DOES NOT OBLIGATE THE TAXING
17 POWER OF THE GOVERNING BODY IN ANY WAY;

18 * * *

19 (B) THIS SECTION IS SUBJECT TO THE FOLLOWING LIMITATIONS:

20 * * *

21 (2) THE PURPOSE AND INTENT OF THIS ACT BEING TO BENEFIT THE
22 PEOPLE OF THE COMMONWEALTH BY, AMONG OTHER THINGS, INCREASING
23 THEIR COMMERCE, HEALTH, SAFETY AND PROSPERITY, AND NOT TO
24 UNNECESSARILY BURDEN OR INTERFERE WITH EXISTING BUSINESS BY THE
25 ESTABLISHMENT OF COMPETITIVE ENTERPRISES, NONE OF THE POWERS
26 GRANTED BY THIS ACT SHALL BE EXERCISED IN THE CONSTRUCTION,
27 FINANCING, IMPROVEMENT, MAINTENANCE, EXTENSION OR OPERATION OF
28 ANY PROJECT OR PROJECTS OR PROVIDING FINANCING FOR INSURANCE
29 RESERVES WHICH IN WHOLE OR IN PART SHALL DUPLICATE OR COMPETE
30 WITH EXISTING ENTERPRISES SERVING SUBSTANTIALLY THE SAME

PURPOSES. THIS LIMITATION SHALL NOT APPLY TO THE EXERCISE OF THE
POWERS GRANTED HEREUNDER:

* * *

(IV) TO HOSPITAL PROJECTS OR HEALTH CENTERS TO BE LEASED TO,
OR FINANCED WITH LOANS TO, PUBLIC HOSPITALS, NONPROFIT
CORPORATION HEALTH CENTERS OR NONPROFIT HOSPITAL CORPORATIONS
SERVING THE PUBLIC OR TO SCHOOL BUILDING PROJECTS AND FACILITIES
TO BE LEASED TO, OR FINANCED WITH LOANS TO, PRIVATE, NONPROFIT,
NONSECTARIAN SECONDARY SCHOOLS, COLLEGES AND UNIVERSITIES,
STATE-RELATED UNIVERSITIES AND COMMUNITY COLLEGES, OR TO
FACILITIES, LIMITED AS DESCRIBED ABOVE, TO PRODUCE STEAM OR TO
GENERATE ELECTRIC POWER, IF EACH MUNICIPALITY ORGANIZING AN
AUTHORITY FOR SUCH A PROJECT SHALL DECLARE BY RESOLUTION OR
ORDINANCE THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND
WELFARE OF THE PEOPLE IN THE AREA SERVED BY SUCH FACILITIES TO
HAVE SUCH FACILITIES PROVIDED BY, OR FINANCED THROUGH AN
AUTHORITY; NOR

* * *

B. Every Authority is hereby granted, and shall have and may
exercise all powers necessary or convenient for the carrying out
of the aforesaid purposes, including but without limiting the
generality of the foregoing, the following rights and powers:

* * *

(h.1) In the case of an Authority which has agreed to
provide water service through a separate meter and separate
service line to a residential dwelling unit in which the owner
does not reside, the owner shall be liable to pay the tenant's
bill for service rendered to the tenant by the Authority only if
the Authority notifies the owner and the tenant within thirty
days after the bill first becomes overdue. Such notification

1 shall be provided by first class mail to the address of the
2 owner provided to the Authority by the owner and to the billing
3 address of the tenant, respectively. Nothing herein shall be
4 construed to require an Authority to terminate service to a
5 tenant, provided that the owner shall not be liable for any
6 service which the Authority provides to the tenant ninety or
7 more days after the tenant's bill first becomes due unless the
8 Authority has been prevented by court order from terminating
9 service to that tenant.

10 (h.2) In the case of an Authority which has agreed to
11 provide sewer service to a residential dwelling unit in which
12 the owner does not reside, the Authority shall notify the owner
13 and the tenant within thirty days after the tenant's bill for
14 that service first becomes overdue. Such notification shall be
15 provided by first class mail to the address of the owner
16 provided to the Authority by the owner and to the billing
17 address of the tenant, respectively. Nothing herein shall be
18 construed to relieve the owner of liability for such service
19 unless the Authority fails to provide the notice required
20 herein.

21 * * *

22 Section 2 3. This act shall take effect in 60 days.

<—