

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 209 Session of  
1991

INTRODUCED BY O'DONNELL, JANUARY 30, 1991

AS RE-REPORTED FROM COMMITTEE ON STATE GOVERNMENT, HOUSE OF  
REPRESENTATIVES, AS AMENDED, APRIL 16, 1991

## AN ACT

1 ~~Establishing the Pennsylvania Intergovernmental Cooperation~~ <—  
2 ~~Authority; and providing for its powers and duties.~~

3 ~~TABLE OF CONTENTS~~4 ~~Section 1. Short title.~~5 ~~Section 2. Definitions.~~6 ~~Section 3. Authority created.~~7 ~~Section 4. Method of incorporation.~~8 ~~Section 5. Powers and duties.~~9 ~~Section 6. Purposes and powers; bonds.~~10 ~~Section 7. Composition.~~11 ~~Section 8. Chairman, meetings and voting.~~12 ~~Section 9. Designated representatives.~~13 ~~Section 10. Employees.~~14 ~~Section 11. Exemption from taxation.~~15 ~~Section 12. Termination of agreement.~~16 ~~Section 13. Severability.~~17 ~~Section 14. Commonwealth not to assume municipal debt.~~

1 ~~Section 15. Effective date.~~

2 ~~The General Assembly finds and declares as follows:~~

3 ~~(1) It is the public policy and a public purpose of the~~  
4 ~~Commonwealth to require fiscal integrity of cities of the~~  
5 ~~first class so that they may provide for the health, safety~~  
6 ~~and welfare of their citizens, meet financial obligations to~~  
7 ~~their employees, vendors and suppliers and provide for proper~~  
8 ~~financial accounting procedures, budgeting and taxing~~  
9 ~~practices. The failure of a city of the first class to do so~~  
10 ~~is hereby determined to affect adversely the health, safety~~  
11 ~~and welfare not only of the people of the city but also of~~  
12 ~~other people in this Commonwealth.~~

13 ~~(2) Inasmuch as the City of Philadelphia, a city of the~~  
14 ~~first class, has experienced deficits over the past three~~  
15 ~~years and inasmuch as its revenues may not be sufficient to~~  
16 ~~meet future financial obligations, it is hereby declared that~~  
17 ~~a fiscal emergency exists in the City of Philadelphia that~~  
18 ~~threatens its ability to function and provide for the health,~~  
19 ~~welfare and safety of its citizens. It is incumbent on the~~  
20 ~~General Assembly to act in a prudent manner in order to~~  
21 ~~preserve and maintain the fiscal integrity of the City of~~  
22 ~~Philadelphia.~~

23 ~~(3) It is the intention of the General Assembly, under~~  
24 ~~this act and pursuant to section 5 of Article IX of the~~  
25 ~~Constitution of Pennsylvania, to create an intergovernmental~~  
26 ~~cooperation authority that will enable the city of the first~~  
27 ~~class to gain access to normal financial markets.~~

28 PROVIDING FOR THE FINANCIAL STABILITY OF CITIES OF THE FIRST  
29 CLASS; ESTABLISHING AN AUTHORITY EMPOWERED TO ASSIST CITIES  
30 OF THE FIRST CLASS IN THEIR FINANCIAL AFFAIRS AND TO ISSUE

<—

FINDINGS AND RECOMMENDATIONS TO CITIES OF THE FIRST CLASS AND  
TO THE GENERAL ASSEMBLY; CREATING THE AUTHORITY AND PROVIDING  
FOR ITS POWERS AND DUTIES; AUTHORIZING EACH CITY OF THE FIRST  
CLASS AND THE AUTHORITY TO ENTER INTO INTERGOVERNMENTAL  
COOPERATION AGREEMENTS AND SPECIFYING CERTAIN TERMS OF SUCH  
AGREEMENTS AND ORDINANCES WHEREBY CITIES OF THE FIRST CLASS  
ENTER INTO SUCH AGREEMENTS; EMPOWERING THE AUTHORITY TO INCUR  
INDEBTEDNESS, RECEIVE REVENUES, ACQUIRE THE OBLIGATIONS OF  
ASSISTED CITIES, MAKE LOANS AND OFFER OTHER FINANCIAL  
ASSISTANCE TO SUCH CITIES SUBJECT TO CONDITIONS; ESTABLISHING  
PROCEDURES FOR THE PREPARATION AND REVIEW OF FINANCIAL PLANS  
OF CITIES OF THE FIRST CLASS WHILE BONDS OF THE AUTHORITY ARE  
OUTSTANDING AND PROVIDING REMEDIES FOR FAILURE TO ADHERE TO  
SUCH PLANS; REQUIRING CERTAIN CONTRACTS TO BE CONSISTENT WITH  
THE FINANCIAL PLAN; MAKING CERTAIN PROVISIONS WITH RESPECT TO  
SHORT-TERM BORROWING BY CITIES OF THE FIRST CLASS;  
ESTABLISHING PROCEDURES FOR HANDLING AUTHORITY FUNDS, AND  
PROVIDING FOR CERTAIN PAYMENTS TO THE AUTHORITY; PROVIDING  
SECURITY FOR BONDS AND NOTES ISSUED BY THE AUTHORITY;  
AUTHORIZING THE CREATION OF A DEBT SERVICE RESERVE FUND AND  
PROVIDING FOR ITS MAINTENANCE; GRANTING TO THE HOLDERS OF THE  
AUTHORITY'S INDEBTEDNESS AND TO THE AUTHORITY CERTAIN  
REMEDIES IN THE EVENT OF DEFAULT BY THE AUTHORITY OR BY AN  
ASSISTED CITY ON AUTHORIZED OBLIGATIONS; AUTHORIZING CITIES  
OF THE FIRST CLASS TO RECEIVE FINANCIAL ASSISTANCE FROM THE  
AUTHORITY UNDER CERTAIN TERMS AND CONDITIONS; ESTABLISHING  
THE METHOD FOR THE APPOINTMENT AND COMPOSITION OF THE  
AUTHORITY BOARD; PROHIBITING THE AUTHORITY AND ASSISTED  
CITIES FROM FILING A PETITION UNDER FEDERAL BANKRUPTCY  
STATUTES; AUTHORIZING AN APPROPRIATION FOR AUTHORITY

OPERATING EXPENSES; AUTHORIZING CITIES OF THE FIRST CLASS TO  
IMPOSE AN OPTIONAL SALES AND USE TAX; AUTHORIZING CITIES OF  
THE FIRST CLASS TO IMPOSE CERTAIN TAXES FOR THE AUTHORITY;  
AND PROVIDING JURISDICTION FOR CHALLENGES TO THIS ACT.

TABLE OF CONTENTS

CHAPTER 1. GENERAL PROVISIONS

SECTION 101. SHORT TITLE.

SECTION 102. PURPOSE AND LEGISLATIVE INTENT.

SECTION 103. LEGISLATIVE FINDINGS.

SECTION 104. DEFINITIONS.

CHAPTER 2. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

SECTION 201. AUTHORITY CREATED.

SECTION 202. GOVERNING BOARD.

SECTION 203. POWERS AND DUTIES.

SECTION 204. TERM OF EXISTENCE OF AUTHORITY.

SECTION 205. FISCAL YEAR.

SECTION 206. ANNUAL BUDGET OF AUTHORITY.

SECTION 207. ANNUAL REPORT TO BE FILED; ANNUAL AUDITS.

SECTION 208. AUTHORITY'S FINANCIAL ASSISTANCE TO CITIES.

SECTION 209. FINANCIAL PLAN OF AN ASSISTED CITY.

SECTION 210. POWERS AND DUTIES OF AUTHORITY WITH RESPECT TO  
FINANCIAL PLANS.

SECTION 211. LIMITATION ON AUTHORITY AND ON ASSISTED CITIES  
TO FILE PETITION FOR RELIEF UNDER FEDERAL  
BANKRUPTCY LAW.

SECTION 212. SOVEREIGN IMMUNITY.

CHAPTER 3. BONDS AND FUNDS OF AUTHORITY

SECTION 301. BONDS.

SECTION 302. EXEMPTION FROM TAXATION.

SECTION 303. VALIDITY OF BONDS; LIMITATION ON ACTIONS.

1 SECTION 304. PROVISIONS OF BONDS; TRUST INDENTURES.  
2 SECTION 305. REMEDIES OF OBLIGEE OF AUTHORITY.  
3 SECTION 306. VALIDITY OF PLEDGE.  
4 SECTION 307. COMMONWEALTH PLEDGES.  
5 SECTION 308. RESOLUTION AND LAW ARE CONTRACTS WITH HOLDERS OF  
6 BONDS.  
7 SECTION 309. BONDS TO BE LEGAL INVESTMENTS.  
8 SECTION 310. RIGHT TO ENFORCEMENT OF PLEDGE OF REVENUES.  
9 SECTION 311. FUNDS OF AUTHORITY; SOURCES OF REVENUE.  
10 SECTION 312. PAYMENT OF PROCEEDS OF TAX LEVIED FOR AUTHORITY  
11 PURPOSES.  
12 SECTION 313. DEBT SERVICE RESERVE FUND.  
13 SECTION 314. BOND PAYMENT ACCOUNT AND CITY ACCOUNT.  
14 SECTION 315. OTHER FUNDS AND ACCOUNTS.  
15 SECTION 316. EXCHANGE OF BONDS FOR OBLIGATIONS OF CITY.  
16 SECTION 317. INITIAL ISSUE OF AUTHORITY BONDS.  
17 SECTION 318. PAYMENT OF TAXES WITH AUTHORITY BONDS.  
18 SECTION 319. FINAL DATE FOR ISSUANCE OF BONDS.  
19 SECTION 320. CITY PAYMENT OF AUTHORITY BONDS.  
20 CHAPTER 4. TAX ANTICIPATION NOTES  
21 SECTION 401. TAX ANTICIPATION NOTES OF CITIES OF FIRST CLASS.  
22 SECTION 402. LIMITATION ON AMOUNT OF TAX AND REVENUE  
23 ANTICIPATION NOTES.  
24 SECTION 403. LIMITATION ON STATED MATURITY DATE OF TAX AND  
25 REVENUE ANTICIPATION NOTES; TIME OF PAYMENT OF  
26 INTEREST.  
27 SECTION 404. OTHER TERMS OF TAX AND REVENUE ANTICIPATION NOTES.  
28 SECTION 405. SECURITY FOR TAX AND REVENUE ANTICIPATION NOTES;  
29 SINKING FUND OR TRUST FUND.  
30 SECTION 406. CERTIFICATION AS TO TAXES AND REVENUES TO BE

1 COLLECTED.

2 SECTION 407. SALE OF TAX ANTICIPATION NOTES.

3 SECTION 408. FILING OF PROCEEDINGS WITH AUTHORITY.

4 SECTION 409. PURCHASE OF TAX ANTICIPATION NOTES BY AUTHORITY.

5 SECTION 410. FAILURE TO PAY PRINCIPAL OR INTEREST.

6 SECTION 411. REMEDIES OF HOLDERS OF TAX AND REVENUE

7 ANTICIPATION NOTES.

8 CHAPTER 5. OPTIONAL SALES AND USE TAX

9 SECTION 501. DEFINITIONS.

10 SECTION 502. CONSTRUCTION OF CHAPTER.

11 SECTION 503. IMPOSITION OF ADDITIONAL TAX.

12 SECTION 504. SITUS FOR IMPOSITION OF TAX.

13 SECTION 505. LICENSES.

14 SECTION 506. RULES AND REGULATIONS.

15 SECTION 507. EXCLUSION FROM RATE LIMITATIONS.

16 SECTION 508. PROCEDURE AND ADMINISTRATION.

17 SECTION 509. DEDICATION AND DISBURSEMENT.

18 CHAPTER 6. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION

19 AUTHORITY TAX

20 SECTION 601. IMPOSITION OF AUTHORITY TAX.

21 SECTION 602. DURATION OF TAX.

22 SECTION 603. CREATION OF FUND AND DISBURSEMENT.

23 SECTION 604. COLLECTION OF PENNSYLVANIA INTERGOVERNMENTAL

24 COOPERATION AUTHORITY TAXES.

25 CHAPTER 7. MISCELLANEOUS PROVISIONS

26 SECTION 701. APPROPRIATION.

27 SECTION 702. ORIGINAL AND EXCLUSIVE JURISDICTION OF SUPREME

28 COURT.

29 SECTION 703. GENERAL RIGHTS AND PROHIBITIONS.

30 SECTION 704. NONDISCRIMINATION.

1 SECTION 705. CONSTRUCTION OF ACT.

2 SECTION 706. LIMITATION OF AUTHORITY POWERS.

3 SECTION 707. REPEALS.

4 SECTION 708. EFFECTIVE DATE.

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

7 ~~Section 1. Short title.~~

<—

8 ~~This act shall be known and may be cited as the~~  
9 ~~Intergovernmental Cooperation Authority Law.~~

10 ~~Section 2. Definitions.~~

11 ~~The following words and phrases when used in this act shall~~  
12 ~~have the meanings given to them in this section unless the~~  
13 ~~context clearly indicates otherwise:~~

14 ~~"Authority." The Pennsylvania Intergovernmental Cooperation~~  
15 ~~Authority.~~

16 ~~Section 3. Authority created.~~

17 ~~A body corporate and politic, named the Pennsylvania~~  
18 ~~Intergovernmental Cooperation Authority, is hereby created as a~~  
19 ~~public authority and government instrumentality to have a~~  
20 ~~continuing succession until its existence is terminated. The~~  
21 ~~exercise by the authority of the powers conferred by this act is~~  
22 ~~hereby declared to be, and shall for all purposes, be deemed and~~  
23 ~~held to be the performance of an essential public function.~~

24 ~~Section 4. Method of incorporation.~~

25 ~~(a) Powers and duties. The authority created by this act~~  
26 ~~shall be a public body, corporate and politic, exercising public~~  
27 ~~powers of the Commonwealth as an agency and instrumentality~~  
28 ~~thereof and shall be for the purpose of exercising all powers~~  
29 ~~and duties provided for in this act.~~

30 ~~(b) Creation. The authority shall have the powers and~~

~~duties provided for in this act but shall not come into  
existence until a city of the first class adopts a resolution  
requesting that the General Assembly enacts legislation creating  
the authority.~~

~~Section 5.— Powers and duties.~~

~~The authority shall have and may exercise all powers  
necessary or convenient for the carrying out of its purposes,  
including the following powers and duties:~~

~~(1) To sue and be sued, implead and be impleaded,  
complain and defend in all courts.~~

~~(2) To adopt, use and alter at will, a corporate seal.~~

~~(3) To acquire, purchase, hold, lease as lessee and use  
any franchise, property, real, personal or mixed, tangible or  
intangible, or any interest therein necessary or desirable  
for carrying out the purposes of the authority and to sell,  
lease as lessor, transfer and dispose of any property or  
interest therein at any time acquired by it.~~

~~(4) To make bylaws for the management and regulation of  
its affairs.~~

~~(5) To appoint officers, agents, employees and servants,  
to prescribe their duties and to fix their compensation.~~

~~(6) To borrow money, make and issue negotiable notes,  
bonds, refunding bonds and other evidences of indebtedness or  
obligations of the authority, the bonds to have a maturity  
date not longer than 40 years from the date of issue, except  
that no refunding bonds shall have a maturity date later than  
the life of the authority, and to secure the payment of such  
bonds or any part thereof by pledge or deed of trust of all  
or any of its revenues and receipts, and to make such  
agreements with the purchasers or holders of such bonds, or~~



1 ~~with others in connection with any such bonds, whether issued~~  
2 ~~or to be issued, as the authority shall deem advisable, issue~~  
3 ~~notes or bonds in exchange for notes or bonds of a city of~~  
4 ~~the first class and to provide for the security for the bonds~~  
5 ~~and the rights of the holders thereof.~~

6 ~~(7) To make contracts of every name and nature and to~~  
7 ~~execute all instruments necessary or convenient for the~~  
8 ~~carrying on of its business.~~

9 ~~(8) Without limitation of the foregoing, to borrow money~~  
10 ~~and accept grants from and to enter into contracts, leases or~~  
11 ~~other transactions with any Federal agency, Commonwealth~~  
12 ~~agency, municipality, school district, corporation or~~  
13 ~~authority.~~

14 ~~(9) To pledge, hypothecate or otherwise encumber all or~~  
15 ~~any of the revenues or receipts of the authority as security~~  
16 ~~for all or any of the obligations of the authority.~~

17 ~~(10) To have such supervisory powers over a city's~~  
18 ~~budget as may be provided by law or intergovernmental~~  
19 ~~cooperation agreement.~~

20 ~~Section 6. Purposes and powers; bonds.~~

21 ~~(a) Bonds to be authorized. The bonds of the authority~~  
22 ~~shall be authorized by resolution of the authority and shall be~~  
23 ~~of the series, bear the date or dates, mature at the time or~~  
24 ~~times, not exceeding 40 years from their respective dates, bear~~  
25 ~~interest at the rate or rates as shall be determined by the~~  
26 ~~authority, and shall be in such denominations, be in such form,~~  
27 ~~either coupon or fully registered without coupons, carry such~~  
28 ~~registration, exchangeability and interchangeability privileges,~~  
29 ~~be payable in such medium of payment and at such place or~~  
30 ~~places, be subject to such terms of redemption, and be entitled~~

~~to such priorities in the revenues or receipts of the authority,  
as the resolution or resolutions may provide. The bonds shall be  
signed by or shall bear the facsimile signatures of those  
officers as the authority shall determine, and coupon bonds  
shall have attached thereto interest coupons bearing the  
facsimile signature of the treasurer of the authority and all  
bonds shall be authenticated by an authenticating agent, fiscal  
agent or trustee, all as may be prescribed in the resolution or  
resolutions.~~

~~(b) Sale of bonds. The bonds may be sold at public sale at  
the price or prices and at the rate of interest as the authority  
shall determine. Pending the preparation of the definitive  
bonds, interim receipts may be issued to the purchaser or  
purchasers of the bonds and may contain the terms and conditions  
as the authority may determine.~~

~~(c) Bonds to be negotiable instrument. The bonds shall have  
the qualities of negotiable instrument under 13 Pa.C.S.  
(relating to commercial code).~~

~~(d) Securities. The bonds of the authority are hereby made  
securities in which all public officers and bodies of the  
Commonwealth and all political subdivisions of the Commonwealth  
and other persons carrying on an insurance business, all banks,  
bankers, trust companies, savings banks and savings  
associations, including savings and loan associations,  
investment companies and other persons carrying on a banking  
business, all administrators, guardians, executors, trustees and  
other fiduciaries, and all other persons whatsoever who are now  
or may hereafter be authorized to invest in bonds or in other  
obligations of the Commonwealth may properly and legally invest  
funds, including capital, in their control or belonging to them.~~

~~The bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of the Commonwealth and public corporations for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized.~~

~~Section 7.—Composition.~~

~~The authority shall be composed of the following:~~

~~(1) The Governor.~~

~~(2) The President pro tempore of the Senate.~~

~~(3) The Speaker of the House of Representatives.~~

~~(4) The Minority Leader of the House of Representatives.~~

~~(5) The Minority Leader of the Senate.~~

~~Section 8.—Chairman, meetings and voting.~~

~~The chairman of the authority shall be selected by the members and shall preside over all meetings of the authority. The authority shall act by majority vote of the entire authority with each member having one vote. The board shall maintain a record of its proceedings in such form as it may determine, but the record shall reflect the members of the authority attending each meeting and all votes taken by the authority.~~

~~Section 9.—Designated representatives.~~

~~Each member of the board occupying elected public office shall be entitled to designate a representative to attend, in his place, meetings of the authority and to vote or otherwise act on his behalf. Written notice of the designation shall be furnished to the board by the designating member prior to any meeting attended by his representative. Any representative shall serve at the pleasure of the designating member.~~

~~Section 10.—Employees.~~

~~The authority shall hire such employees as it deems necessary~~

1 ~~to carry out the work of the authority.~~

2 ~~Section 11. Exemption from taxation.~~

3 ~~The effectuation of the authorized purposes of the authority~~  
4 ~~created under this act shall and will be in all respect for the~~  
5 ~~benefit of the people of this Commonwealth. The authority shall~~  
6 ~~not be required to pay any taxes or assessments on its bonds or~~  
7 ~~their transfer, and the income therefrom shall, at all times be~~  
8 ~~free from State and local taxation within this Commonwealth.~~

9 ~~Section 12. Termination of agreement.~~

10 ~~An intergovernmental cooperation agreement cannot be revoked~~  
11 ~~or rescinded until such time as all indebtedness of the~~  
12 ~~authority relating to the agreement has been extinguished.~~

13 ~~Section 13. Severability.~~

14 ~~The provisions of this act are severable. If any provision of~~  
15 ~~this act or its application to any person or circumstance is~~  
16 ~~held invalid, the invalidity shall not affect other provisions~~  
17 ~~or applications of this act which can be given effect without~~  
18 ~~the invalid provision or application.~~

19 ~~Section 14. Commonwealth not to assume municipal debt.~~

20 ~~The Commonwealth does not assume the debt of any city nor of~~  
21 ~~the authority and no provision of this act shall be so~~  
22 ~~construed.~~

23 ~~Section 15. Effective date.~~

24 ~~This act shall take effect immediately.~~

25 CHAPTER 1

<—

26 GENERAL PROVISIONS

27 SECTION 101. SHORT TITLE.

28 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE PENNSYLVANIA  
29 INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR CITIES OF THE  
30 FIRST CLASS.

1 SECTION 102. PURPOSE AND LEGISLATIVE INTENT.

2 (A) POLICY.--IT IS HEREBY DECLARED TO BE A PUBLIC POLICY OF  
3 THE COMMONWEALTH TO EXERCISE ITS RETAINED SOVEREIGN POWERS WITH  
4 REGARD TO TAXATION, DEBT ISSUANCE AND MATTERS OF STATEWIDE  
5 CONCERN IN A MANNER CALCULATED TO FOSTER THE FISCAL INTEGRITY OF  
6 CITIES OF THE FIRST CLASS; PAY PRINCIPAL AND INTEREST OWED ON  
7 THEIR DEBT OBLIGATIONS WHEN DUE; MEET FINANCIAL OBLIGATIONS TO  
8 THEIR EMPLOYEES, VENDORS AND SUPPLIERS; AND PROVIDE FOR PROPER  
9 FINANCIAL ACCOUNTING PROCEDURES AND BUDGETING PRACTICES. THE  
10 INABILITY OF A CITY OF THE FIRST CLASS TO PROVIDE ESSENTIAL  
11 SERVICES TO ITS CITIZENS AS A RESULT OF A FISCAL EMERGENCY IS  
12 HEREBY DETERMINED TO AFFECT ADVERSELY THE HEALTH, SAFETY AND  
13 WELFARE NOT ONLY OF THE CITIZENS OF THAT MUNICIPALITY BUT ALSO  
14 OF OTHER CITIZENS IN THIS COMMONWEALTH.

15 (B) LEGISLATIVE INTENT.--

16 (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

17 (I) PROVIDE CITIES OF THE FIRST CLASS WITH THE LEGAL  
18 TOOLS WITH WHICH SUCH CITIES CAN ELIMINATE BUDGET  
19 DEFICITS THAT RENDER THEM UNABLE TO PERFORM ESSENTIAL  
20 MUNICIPAL SERVICES;

21 (II) CREATE AN AUTHORITY THAT WILL ENABLE CITIES OF  
22 THE FIRST CLASS TO ACCESS CAPITAL MARKETS FOR DEFICIT  
23 ELIMINATION AND SEASONAL BORROWINGS TO AVOID DEFAULT ON  
24 EXISTING OBLIGATIONS AND CHRONIC CASH SHORTAGES THAT WILL  
25 DISRUPT THE DELIVERY OF MUNICIPAL SERVICES;

26 (III) FOSTER SOUND FINANCIAL PLANNING AND BUDGETARY  
27 PRACTICES THAT WILL ADDRESS THE UNDERLYING PROBLEMS WHICH  
28 RESULT IN SUCH DEFICITS; AND

29 (IV) EXERCISE ITS POWERS CONSISTENT WITH THE RIGHTS  
30 OF CITIZENS TO HOME RULE AND SELF GOVERNMENT BY

1 MAINTAINING A SYSTEM PURSUANT TO WHICH THE PRINCIPAL  
2 RESPONSIBILITY FOR CONDUCTING THE GOVERNMENTAL AFFAIRS OF  
3 A MUNICIPALITY REMAINS WITH ITS LOCAL ELECTED OFFICIALS.

4 (2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT THIS  
5 LEGISLATION IS INTENDED TO REMEDY THE FISCAL EMERGENCY  
6 CONFRONTING CITIES OF THE FIRST CLASS THROUGH THE  
7 IMPLEMENTATION OF SOVEREIGN POWERS OF THE COMMONWEALTH WITH  
8 RESPECT TO TAXATION, INDEBTEDNESS AND MATTERS OF STATEWIDE  
9 CONCERN. TO SAFEGUARD THE RIGHTS OF THE CITIZENS TO THE  
10 ELECTORAL PROCESS AND HOME RULE, THE GENERAL ASSEMBLY INTENDS  
11 TO EXERCISE ITS POWER IN A COOPERATIVE MANNER WITH THE  
12 ELECTED OFFICERS OF CITIES OF THE FIRST CLASS AS CONTEMPLATED  
13 BY THE CONSTITUTION OF PENNSYLVANIA.

14 (3) THE GENERAL ASSEMBLY FURTHER DECLARES THAT THIS  
15 LEGISLATION IS INTENDED TO AUTHORIZE THE IMPOSITION OF A TAX  
16 OR TAXES TO PROVIDE A SOURCE OF FUNDING FOR AN  
17 INTERGOVERNMENTAL COOPERATION AUTHORITY TO ENABLE IT TO  
18 ASSIST CITIES OF THE FIRST CLASS AND TO INCUR DEBT OF SUCH  
19 AUTHORITY FOR SUCH PURPOSES; HOWEVER, THE GENERAL ASSEMBLY  
20 INTENDS THAT SUCH DEBT SHALL NOT BE A DEBT OR LIABILITY OF  
21 THE COMMONWEALTH OR A CITY OF THE FIRST CLASS NOR SHALL DEBT  
22 OF THE AUTHORITY PAYABLE FROM AND SECURED BY SUCH SOURCE OF  
23 FUNDING CREATE A CHARGE DIRECTLY OR INDIRECTLY AGAINST  
24 REVENUES OF THE COMMONWEALTH OR A CITY OF THE FIRST CLASS.

25 SECTION 103. LEGISLATIVE FINDINGS.

26 IT IS HEREBY DETERMINED AND DECLARED AS A MATTER OF  
27 LEGISLATIVE FINDING:

28 (1) THAT CITIES OF THE FIRST CLASS HAVE ENCOUNTERED  
29 RECURRING FINANCIAL DIFFICULTIES WHICH MAY AFFECT THE  
30 PERFORMANCE OF NECESSARY MUNICIPAL SERVICES TO THE DETRIMENT

1 OF THE HEALTH, SAFETY AND GENERAL WELFARE OF RESIDENTS OF  
2 SUCH CITIES.

3 (2) THAT THE FINANCIAL DIFFICULTIES HAVE CAUSED CITIES  
4 OF THE FIRST CLASS TO LOSE AN INVESTMENT-GRADE CREDIT RATING  
5 AND DIRECT ACCESS TO CAPITAL MARKETS.

6 (3) THAT IT IS CRITICALLY IMPORTANT THAT CITIES OF THE  
7 FIRST CLASS ACHIEVE AN INVESTMENT-GRADE CREDIT RATING AND  
8 THEREAFTER MAINTAIN THEIR CREDIT-WORTHINESS.

9 (4) THAT, WITHOUT THE ABILITY TO ENTER THE CAPITAL  
10 MARKETS, CITIES OF THE FIRST CLASS MAY FACE A FISCAL  
11 EMERGENCY THAT COULD RENDER THEM UNABLE TO PAY THEIR  
12 OBLIGATIONS WHEN DUE AND DELIVER ESSENTIAL SERVICES TO THEIR  
13 CITIZENS.

14 (5) THAT, DUE TO THE ECONOMIC AND SOCIAL INTER-  
15 RELATIONSHIP AMONG ALL CITIZENS IN OUR ECONOMY, THE FISCAL  
16 INTEGRITY OF CITIES OF THE FIRST CLASS IS A MATTER OF CONCERN  
17 TO RESIDENTS OF THE ENTIRE COMMONWEALTH, AND THE FINANCIAL  
18 PROBLEMS OF SUCH CITIES HAVE A DIRECT AND NEGATIVE EFFECT ON  
19 THE ENTIRE COMMONWEALTH.

20 (6) THAT, BECAUSE CITIES OF THE FIRST CLASS CONSUME A  
21 SUBSTANTIAL PROPORTION OF THE PRODUCTS OF PENNSYLVANIA'S  
22 FARMS, FACTORIES, MANUFACTURING PLANTS AND SERVICE  
23 ENTERPRISES, ECONOMIC DIFFICULTIES CONFRONTING CITIES OF THE  
24 FIRST CLASS DETRIMENTALLY AFFECT THE ECONOMY OF THE  
25 COMMONWEALTH AS A WHOLE AND BECOME A MATTER OF STATEWIDE  
26 CONCERN.

27 (7) THAT, BECAUSE RESIDENTS OF CITIES OF THE FIRST CLASS  
28 CONTRIBUTE A SUBSTANTIAL PROPORTION OF ALL COMMONWEALTH TAX  
29 REVENUES, A DISRUPTION OF THE ECONOMIC AND SOCIAL LIFE OF  
30 SUCH CITIES MAY HAVE A SIGNIFICANT DETRIMENTAL EFFECT UPON

1 COMMONWEALTH REVENUES.

2 (8) THAT CITIES OF THE FIRST CLASS AND THE COMMONWEALTH  
3 HAVE SHOWN A WILLINGNESS TO COOPERATE IN ORDER TO ADDRESS  
4 IMPORTANT FINANCIAL AND BUDGETARY CONCERNS.

5 (9) THAT THE FINANCIAL DIFFICULTIES OF CITIES OF THE  
6 FIRST CLASS CAN BEST BE ADDRESSED AND RESOLVED BY COOPERATION  
7 BETWEEN GOVERNMENTAL ENTITIES.

8 (10) THAT THE CONSTITUTION OF PENNSYLVANIA GRANTS  
9 MUNICIPALITIES AUTHORITY TO COOPERATE WITH OTHER GOVERNMENTAL  
10 ENTITIES IN THE EXERCISE OF ANY FUNCTION OR RESPONSIBILITY.

11 (11) THAT THE COMMONWEALTH RETAINS CERTAIN SOVEREIGN  
12 POWERS WITH RESPECT TO CITIES OF THE FIRST CLASS, AMONG THEM  
13 THE POWERS TO AUTHORIZE AND LEVY TAXES, TO AUTHORIZE THE  
14 INCURRING OF INDEBTEDNESS AND TO PROVIDE FINANCIAL ASSISTANCE  
15 THAT MAY BE NECESSARY TO ASSIST CITIES IN SOLVING THEIR  
16 FINANCIAL PROBLEMS.

17 (12) THAT THE COMMONWEALTH MAY ATTACH CONDITIONS TO  
18 GRANTS OF TAXING POWER OR AUTHORITY TO INCUR INDEBTEDNESS OR  
19 ASSISTANCE TO CITIES OF THE FIRST CLASS IN ORDER TO ENSURE  
20 THAT DEFICITS ARE ELIMINATED AND ACCESS TO CAPITAL MARKETS IS  
21 ACHIEVED AND MAINTAINED.

22 (13) THAT SUCH CONDITIONS MAY BE INCORPORATED INTO  
23 INTERGOVERNMENTAL COOPERATION AGREEMENTS BETWEEN THE  
24 COMMONWEALTH OR ITS INSTRUMENTALITIES AND CITIES OF THE FIRST  
25 CLASS.

26 (14) THAT CITIES OF THE FIRST CLASS AND THE COMMONWEALTH  
27 WILL BENEFIT FROM THE CREATION OF AN INDEPENDENT AUTHORITY  
28 COMPOSED OF MEMBERS EXPERIENCED IN FINANCE AND MANAGEMENT  
29 WHICH MAY ADVISE SUCH CITIES, THE GENERAL ASSEMBLY AND THE  
30 GOVERNOR CONCERNING SOLUTIONS TO FISCAL PROBLEMS CITIES OF



1 THE FIRST CLASS MAY FACE.

2 (15) THAT THE CREATION OF SUCH AN AUTHORITY WITH THE  
3 POWER TO BORROW MONEY AND ISSUE BONDS IN ORDER TO ASSIST  
4 CITIES OF THE FIRST CLASS WILL ALLOW SUCH CITIES TO CONTINUE  
5 TO PROVIDE THE NECESSARY MUNICIPAL SERVICES FOR THEIR  
6 RESIDENTS AND TO CONTRIBUTE TO THE ECONOMY OF THE  
7 COMMONWEALTH.

8 (16) THAT, IN ORDER FOR AN AUTHORITY TO EFFECTIVELY  
9 ASSIST CITIES OF THE FIRST CLASS IN FINANCING THEIR CASH FLOW  
10 NEEDS AND FOR CITIES OF THE FIRST CLASS TO BE ABLE TO COST-  
11 EFFECTIVELY FINANCE THEIR CASH FLOW NEEDS DURING THE TERM OF  
12 ANY AUTHORITY BONDS AND THEREAFTER, THE ENACTMENT OF CERTAIN  
13 PROVISIONS OF LAW IN CONNECTION WITH THE ISSUANCE OF TAX AND  
14 REVENUE ANTICIPATION NOTES OF CITIES OF THE FIRST CLASS IS  
15 NECESSARY AND DESIRABLE.

16 (17) THAT A DEDICATED SOURCE OF FUNDING FOR THE  
17 AUTHORITY IS NECESSARY IN ORDER TO ADDRESS THE IMMEDIATE  
18 FINANCIAL DIFFICULTIES OF CITIES OF THE FIRST CLASS.

19 (18) THAT THE COMMONWEALTH'S ACTION IN AUTHORIZING  
20 CITIES OF THE FIRST CLASS TO IMPOSE TAXES FOR THE AUTHORITY  
21 WILL ALLOW SUCH CITIES TO CONTINUE TO PROVIDE NECESSARY  
22 SERVICES FOR THEIR RESIDENTS AND FOR THOSE NONRESIDENTS  
23 ENJOYING THE BENEFITS OF SUCH SERVICES.

24 (19) THAT THE LEVY OF A TAX WITHIN CITIES OF THE FIRST  
25 CLASS FOR THE AUTHORITY SHOULD BE AUTHORIZED BY THE  
26 COMMONWEALTH FOR THE BENEFIT OF CITIES OF THE FIRST CLASS,  
27 WITH THE REVENUE PRODUCED AS A RESULT OF SUCH LEVY BEING  
28 COMMONWEALTH-AUTHORIZED REVENUES AND REVENUES OF A STATE  
29 AUTHORITY, AND NOT REVENUES OF THE CITY OF THE FIRST CLASS.

30 (20) THAT THE AUTHORITY TO LEVY A TAX ONLY WITHIN CITIES

1 OF THE FIRST CLASS OR AT A RATE THAT IS HIGHER THAN THAT  
2 IMPOSED OUTSIDE CITIES OF THE FIRST CLASS IS BASED UPON A  
3 LEGITIMATE CLASSIFICATION WHICH THE GENERAL ASSEMBLY DEEMS TO  
4 BE REASONABLE AND JUST, SINCE THE BENEFIT RECEIVED BY  
5 TAXPAYERS IN CITIES OF THE FIRST CLASS AS A RESULT OF SUCH  
6 LEVY IS DETERMINED TO BE IN PROPORTION TO THE TAX BURDEN  
7 IMPOSED IN SUCH CITIES OF THE FIRST CLASS.

8 (21) THAT A LEVY IMPOSED ONLY, OR AT A HIGHER RATE, IN  
9 CITIES OF THE FIRST CLASS WILL BE USED TO BENEFIT CITIZENS OF  
10 CITIES OF THE FIRST CLASS BY PROVIDING FOR THEIR HEALTH,  
11 SAFETY, CONVENIENCE AND WELFARE.

12 (22) THAT, IF THIS ACT IS CHALLENGED, A PROMPT, FINAL  
13 RULING AS TO THE LEGALITY OF THE AUTHORITY CREATED BY THIS  
14 ACT AND THE VALIDITY OF BONDS ISSUED BY THE AUTHORITY WILL BE  
15 NECESSARY SO THAT THE AUTHORITY WILL BE ABLE TO ENTER CAPITAL  
16 MARKETS TO ASSIST CITIES OF THE FIRST CLASS.

17 SECTION 104. DEFINITIONS.

18 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL  
19 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
20 CONTEXT CLEARLY INDICATES OTHERWISE:

21 "ASSISTED CITY." A CITY OF THE FIRST CLASS WHICH RECEIVES  
22 ASSISTANCE FROM THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION  
23 AUTHORITY CREATED BY THIS ACT.

24 "AUTHORITY." THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION  
25 AUTHORITY ESTABLISHED IN THIS ACT.

26 "BOARD." THE GOVERNING BOARD OF THE PENNSYLVANIA  
27 INTERGOVERNMENTAL COOPERATION AUTHORITY.

28 "BOND." A NOTE, BOND, REFUNDING NOTE AND BOND, INTERIM  
29 CERTIFICATE, DEBENTURE AND OTHER EVIDENCE OF INDEBTEDNESS OR  
30 OBLIGATION WHICH AN AUTHORITY IS AUTHORIZED TO ISSUE PURSUANT TO

1 THIS ACT.

2 "BOND PAYMENT ACCOUNT." A TRUST FUND HELD EXCLUSIVELY FOR  
3 THE EQUAL AND RATABLE BENEFIT OF THE HOLDERS OF BONDS OF THE  
4 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY, SECURED BY  
5 AND PAYABLE FROM THE TAX LEVIED FOR THE PURPOSES OF THE  
6 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY OR SECURED  
7 BY PAYMENTS DUE TO THE PENNSYLVANIA INTERGOVERNMENTAL  
8 COOPERATION AUTHORITY FROM AN ASSISTED CITY, AS DESCRIBED IN  
9 SECTION 314(A) AND (B).

10 "CASH FLOW DEFICIT." A CASH DEFICIT OCCURRING SOLELY BECAUSE  
11 REVENUES AND EXPENDITURES, EVEN WHEN IN BALANCE ON A FISCAL YEAR  
12 BASIS, ARE NOT RECEIVED AND DISBURSED AT EQUIVALENT RATES  
13 THROUGHOUT THE FISCAL YEAR.

14 "CITY." A CITY OF THE FIRST CLASS.

15 "CITY ACCOUNT." A TRUST FUND HELD FOR THE EXCLUSIVE BENEFIT  
16 OF AN ASSISTED CITY AS DESCRIBED IN SECTION 314(C).

17 "DEBT SERVICE RESERVE FUND." A FUND WHICH MAY BE CREATED BY  
18 THE AUTHORITY AND WHICH SHALL BE USED, WHEN REQUIRED, SOLELY FOR  
19 THE PAYMENT OF THE PRINCIPAL OF BONDS SECURED IN WHOLE OR IN  
20 PART BY SUCH FUND, OR OF THE SINKING FUND PAYMENTS, IF ANY, WITH  
21 RESPECT TO SUCH BONDS, THE PURCHASE OR REDEMPTION OF SUCH BONDS,  
22 THE PAYMENT OF INTEREST ON SUCH BONDS OR THE PAYMENT OF ANY  
23 REDEMPTION PREMIUM REQUIRED TO BE PAID WHEN SUCH BONDS AND NOTES  
24 ARE REDEEMED PRIOR TO MATURITY, AS DESCRIBED IN SECTION 313.

25 "DEFICIT." SUCH NEGATIVE FUND BALANCE IN ANY PRINCIPAL  
26 OPERATING FUND OR FUNDS OF A CITY EXISTING OR PROJECTED TO EXIST  
27 AS OF THE CLOSE OF A FISCAL YEAR, AS MAY BE MORE SPECIFICALLY  
28 IDENTIFIED, CALCULATED AND SET FORTH IN AN INTERGOVERNMENTAL  
29 COOPERATION AGREEMENT OR FINANCIAL PLAN OF AN ASSISTED CITY  
30 DESCRIBED IN SECTION 209.

1 "FEDERAL AGENCY." THE UNITED STATES OF AMERICA, THE  
2 PRESIDENT OF THE UNITED STATES OF AMERICA AND ANY DEPARTMENT OR  
3 CORPORATION, AGENCY OR INSTRUMENTALITY HERETOFORE OR HEREAFTER  
4 CREATED, DESIGNATED OR ESTABLISHED BY THE UNITED STATES OF  
5 AMERICA.

6 "FINANCIAL ABILITY TO PAY." FINANCIAL ABILITY TO PAY SHALL  
7 MEAN THE REASONABLE LIKELIHOOD THAT THE ASSISTED CITY WILL  
8 RECEIVE FUNDS SUFFICIENT TO PAY THE COST OF ANY INCREASE IN  
9 WAGES OR FRINGE BENEFITS WITHOUT REQUIRING AN INCREASE IN THE  
10 RATES OF LOCAL TAXATION EXISTING IN THE FISCAL YEAR IMMEDIATELY  
11 PRECEDING THE FISCAL YEAR WHEN SUCH INCREASE IS INTENDED TO TAKE  
12 EFFECT AND WITHOUT CAUSING AN ADVERSE EFFECT ON THE LEVELS OF  
13 SERVICE IN THE FISCAL YEAR WHEN SUCH INCREASE IS INTENDED TO  
14 TAKE EFFECT.

15 "GOVERNING BODY." THE LEGISLATIVE BODY OF A CITY.

16 "GOVERNMENT AGENCY." THE GOVERNOR, DEPARTMENTS, BOARDS,  
17 COMMISSIONS, AUTHORITIES AND OTHER OFFICERS AND AGENCIES OF  
18 STATE GOVERNMENT, INCLUDING THOSE WHICH ARE NOT SUBJECT TO THE  
19 POLICY SUPERVISION AND CONTROL OF THE GOVERNOR, ANY POLITICAL  
20 SUBDIVISION, MUNICIPAL OR OTHER LOCAL AUTHORITY, AND ANY OFFICER  
21 OR AGENCY OF ANY SUCH POLITICAL SUBDIVISION OR LOCAL AUTHORITY,  
22 BUT THE TERM DOES NOT INCLUDE ANY COURT OR OTHER OFFICER OR  
23 AGENCY OF THE UNIFIED JUDICIAL SYSTEM OR THE GENERAL ASSEMBLY OR  
24 ITS OFFICERS AND AGENCIES.

25 "INTERGOVERNMENTAL COOPERATION AGREEMENT." ANY AGREEMENT  
26 MADE BY THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY  
27 AND A CITY UNDER THE PROVISIONS OF SECTION 203(D).

28 "LOAN COMMITTEE." THE MAYOR, THE CITY CONTROLLER AND CITY  
29 SOLICITOR OF A CITY OF THE FIRST CLASS.

30 "NET PROCEEDS." THE AGGREGATE PRINCIPAL AMOUNT OF ANY BONDS

1 ISSUED BY THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION  
2 AUTHORITY REDUCED BY ANY AMOUNT OF SUCH BONDS CONSTITUTING  
3 INTEREST UNDER THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-  
4 514, 26 U.S.C. § 1 ET SEQ.) OR ANY SUCCESSOR OR AMENDATORY  
5 REVENUE ACT, AND FURTHER REDUCED BY THE PORTION OF THE AGGREGATE  
6 PRINCIPAL AMOUNT OF SUCH BONDS ISSUED FOR ANY OF THE FOLLOWING  
7 PURPOSES:

8 (1) FUND ANY RESERVE, INCLUDING A DEBT SERVICE RESERVE  
9 FUND, ESTABLISHED FOR THE PENNSYLVANIA INTERGOVERNMENTAL  
10 COOPERATION AUTHORITY'S BONDS;

11 (2) PROVIDE CAPITALIZED INTEREST ON BONDS;

12 (3) PAY FEES OR PREMIUMS IN CONNECTION WITH ANY POLICY  
13 OF MUNICIPAL BOND INSURANCE OR OTHER CREDIT ENHANCEMENT OR  
14 LIQUIDITY FACILITY; AND

15 (4) PAY ANY COSTS OF ISSUANCE RELATING TO SUCH BONDS.

16 "OBLIGEE OF THE AUTHORITY." ANY HOLDER OR OWNER OF ANY BOND  
17 OF THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY OR  
18 ANY TRUSTEE OR OTHER FIDUCIARY FOR ANY SUCH HOLDER OR ANY  
19 PROVIDER OF A LETTER OF CREDIT, POLICY OF MUNICIPAL BOND  
20 INSURANCE OR OTHER CREDIT ENHANCEMENT OR LIQUIDITY FACILITY FOR  
21 BONDS OF THE AUTHORITY.

22 "OUTSTANDING." WITH RESPECT TO BONDS OF THE AUTHORITY, SHALL  
23 MEAN ALL BONDS OF THE AUTHORITY ISSUED FROM TIME TO TIME EXCEPT:

24 (1) BONDS PURCHASED BY THE AUTHORITY OR THE CITY FOR  
25 CANCELLATION BY THE AUTHORITY; AND

26 (2) BONDS FOR THE PAYMENT OF THE PRINCIPAL OF AND  
27 INTEREST ON WHICH MONEYS OR INVESTMENTS SUFFICIENT TO MAKE  
28 SUCH PAYMENTS TIMELY HAVE BEEN IRREVOCABLY DEPOSITED WITH A  
29 FIDUCIARY FOR OBLIGEEES OF THE AUTHORITY OWNING SUCH BONDS.

30 "PARTY OFFICER." THE FOLLOWING MEMBERS OR OFFICERS OF ANY

1 POLITICAL PARTY:

2 (1) A MEMBER OF A NATIONAL COMMITTEE;

3 (2) A CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER OR  
4 COUNSEL OF A STATE COMMITTEE OR MEMBER OF THE EXECUTIVE  
5 COMMITTEE OF A STATE COMMITTEE;

6 (3) A COUNTY CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY  
7 OR TREASURER OF A COUNTY COMMITTEE; OR

8 (4) A CITY CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY  
9 OR TREASURER OF A CITY COMMITTEE.

10 "PUBLIC OFFICIAL." ANY ELECTED OR APPOINTED OFFICIAL OR  
11 EMPLOYEE IN THE EXECUTIVE, LEGISLATIVE OR JUDICIAL BRANCH OF THE  
12 COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, PROVIDED THAT  
13 IT SHALL NOT INCLUDE MEMBERS OF ADVISORY BOARDS THAT HAVE NO  
14 AUTHORITY TO EXPEND PUBLIC FUNDS OTHER THAN REIMBURSEMENT FOR  
15 PERSONAL EXPENSE, OR TO OTHERWISE EXERCISE THE POWER OF THE  
16 COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE TERM  
17 "PUBLIC OFFICIAL" SHALL NOT INCLUDE ANY APPOINTED OFFICIAL WHO  
18 RECEIVES NO COMPENSATION OTHER THAN REIMBURSEMENT FOR ACTUAL  
19 EXPENSES.

20 "QUALIFIED MAJORITY." A MAJORITY OF THE GOVERNING BOARD OF  
21 THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY WHICH  
22 INCLUDES ANY FOUR VOTING MEMBERS.

23 "TAX ANTICIPATION NOTES" OR "NOTES." TAX ANTICIPATION NOTES,  
24 REVENUE ANTICIPATION NOTES OR TAX AND REVENUE ANTICIPATION NOTES  
25 AUTHORIZED TO BE ISSUED PURSUANT TO CHAPTER 4 AND DESIGNATED AS  
26 PRESCRIBED IN SECTION 401.

27 CHAPTER 2

28 THE PENNSYLVANIA INTERGOVERNMENTAL  
29 COOPERATION AUTHORITY

30 SECTION 201. AUTHORITY CREATED.

1 A BODY CORPORATE AND POLITIC, TO BE KNOWN AS THE PENNSYLVANIA  
2 INTERGOVERNMENTAL COOPERATION AUTHORITY, IS HEREBY CREATED AS A  
3 PUBLIC AUTHORITY AND INSTRUMENTALITY OF THE COMMONWEALTH,  
4 EXERCISING PUBLIC POWERS OF THE COMMONWEALTH AS AN AGENCY AND  
5 INSTRUMENTALITY THEREOF. THE EXERCISE BY THE AUTHORITY OF THE  
6 POWERS CONFERRED BY THIS ACT IS HEREBY DECLARED TO BE AND SHALL  
7 FOR ALL PURPOSES BE DEEMED AND HELD TO BE THE PERFORMANCE OF AN  
8 ESSENTIAL PUBLIC FUNCTION.

9 SECTION 202. GOVERNING BOARD.

10 (A) COMPOSITION OF BOARD.--THE POWERS AND DUTIES OF THE  
11 AUTHORITY SHALL BE EXERCISED BY A GOVERNING BOARD COMPOSED OF  
12 FIVE MEMBERS:

13 (1) ONE MEMBER SHALL BE APPOINTED BY THE GOVERNOR.

14 (2) ONE MEMBER SHALL BE APPOINTED BY THE PRESIDENT PRO  
15 TEMPORE OF THE SENATE.

16 (3) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY LEADER  
17 OF THE SENATE.

18 (4) ONE MEMBER SHALL BE APPOINTED BY THE SPEAKER OF THE  
19 HOUSE OF REPRESENTATIVES.

20 (5) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY LEADER  
21 OF THE HOUSE OF REPRESENTATIVES.

22 (6) THE SECRETARY OF THE BUDGET OF THE COMMONWEALTH AND  
23 THE DIRECTOR OF FINANCE OF EACH ASSISTED CITY SHALL SERVE AS  
24 EX OFFICIO MEMBERS OF THE BOARD. THE EX OFFICIO MEMBERS MAY  
25 NOT VOTE, SHALL NOT BE COUNTED FOR PURPOSES OF ESTABLISHING A  
26 QUORUM AND MAY DESIGNATE IN WRITING A REPRESENTATIVE OF THEIR  
27 RESPECTIVE OFFICES TO ATTEND MEETINGS OF THE BOARD ON THEIR  
28 BEHALF.

29 (7) ALL MEMBERS SHALL HAVE HAD EXPERIENCE IN FINANCE OR  
30 MANAGEMENT.

(8) ALL MEMBERS OF THE BOARD SHALL BE RESIDENTS OF THE COMMONWEALTH AND, EXCEPT THE SECRETARY OF THE BUDGET, SHALL EITHER BE RESIDENTS OF THE ASSISTED CITY OR HAVE THEIR PRIMARY PLACES OF BUSINESS OR EMPLOYMENT IN SUCH CITY.

(B) TERM.--APPOINTING AUTHORITIES SHALL APPOINT THE INITIAL MEMBERS OF THE BOARD WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS ACT. THE TERM OF A BOARD MEMBER SHALL BEGIN ON THE DATE OF APPOINTMENT. A MEMBER'S TERM SHALL BE COTERMINOUS WITH THAT OF HIS OR HER APPOINTING AUTHORITY; PROVIDED THAT THE MEMBER'S TERM SHALL CONTINUE UNTIL HIS OR HER REPLACEMENT IS APPOINTED. BOARD MEMBERS SHALL SERVE AT THE PLEASURE OF HIS OR HER APPOINTING AUTHORITY. WHENEVER A VACANCY OCCURS ON THE BOARD, WHETHER PRIOR TO OR ON THE EXPIRATION OF A TERM, THE APPOINTING AUTHORITY WHO ORIGINALLY APPOINTED THE BOARD MEMBER WHOSE SEAT HAS BECOME VACANT SHALL APPOINT A SUCCESSOR MEMBER WITHIN 30 DAYS OF THE VACANCY. A MEMBER APPOINTED TO FILL A VACANCY OCCURRING PRIOR TO THE EXPIRATION OF A TERM SHALL SERVE THE UNEXPIRED TERM.

(C) ORGANIZATION.--THE APPOINTEE OF THE GOVERNOR SHALL SET A DATE, TIME AND PLACE FOR THE INITIAL ORGANIZATIONAL MEETING OF THE BOARD WITHIN TEN DAYS OF THE APPOINTMENT OF THE INITIAL MEMBERS OF THE BOARD. THE MEMBERS SHALL ELECT FROM AMONG THEMSELVES A CHAIRPERSON, VICE CHAIRPERSON, SECRETARY, TREASURER AND SUCH OTHER OFFICERS AS THEY MAY DETERMINE. A MEMBER MAY HOLD MORE THAN ONE OFFICE OF THE BOARD AT ANY TIME.

(D) MEETINGS.--THE BOARD SHALL MEET AS FREQUENTLY AS IT DEEMS APPROPRIATE. A MAJORITY OF THE BOARD SHALL CONSTITUTE A QUORUM FOR THE PURPOSE OF CONDUCTING THE BUSINESS OF THE BOARD AND FOR ALL OTHER PURPOSES. ALL ACTIONS OF THE BOARD SHALL BE TAKEN BY A MAJORITY OF THE BOARD UNLESS SPECIFIC PROVISIONS OF THIS ACT REQUIRE THAT ACTION BE TAKEN BY A QUALIFIED MAJORITY.



1 THE ACT OF JULY 3, 1986 (P.L.388, NO.84), KNOWN AS THE SUNSHINE  
2 ACT, SHALL APPLY TO MEETINGS OF THE BOARD.

3 (E) EXPENSES.--A MEMBER SHALL NOT RECEIVE COMPENSATION OR  
4 REMUNERATION, BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR ALL  
5 REASONABLE AND NECESSARY ACTUAL EXPENSES.

6 (F) PUBLIC OFFICIALS AND PARTY OFFICERS.--

7 (1) NEITHER MEMBERS OF THE BOARD NOR THE EXECUTIVE  
8 DIRECTOR SHALL SEEK OR HOLD A POSITION AS ANY OTHER PUBLIC  
9 OFFICIAL WITHIN THIS COMMONWEALTH OR AS A PARTY OFFICER WHILE  
10 IN THE SERVICE OF THE AUTHORITY. MEMBERS OF THE BOARD AND THE  
11 EXECUTIVE DIRECTOR SHALL NOT SEEK ELECTION AS PUBLIC  
12 OFFICIALS OR PARTY OFFICERS FOR ONE YEAR AFTER THEIR SERVICE  
13 WITH THE AUTHORITY. MEMBERS OF THE AUTHORITY AND THE  
14 EXECUTIVE DIRECTOR MAY SERVE AS APPOINTIVE PUBLIC OFFICIALS  
15 ANY TIME AFTER THEIR PERIODS OF SERVICE WITH THE AUTHORITY.

16 (2) EMPLOYEES OF THE AUTHORITY SHALL NOT SEEK OR HOLD  
17 OTHER POSITIONS AS PUBLIC OFFICIALS OR PARTY OFFICERS WHILE  
18 IN THE EMPLOY OF THE AUTHORITY; PROVIDED, HOWEVER, THAT THE  
19 AUTHORITY MAY RECEIVE THE LOAN OF SERVICES OF PERSONS IN  
20 OTHER GOVERNMENT AGENCIES IN ACCORDANCE WITH SUBSECTION (G),  
21 NOTWITHSTANDING THAT SUCH PERSONS ARE PUBLIC OFFICIALS.

22 EMPLOYEES OF THE AUTHORITY SHALL NOT SEEK ELECTION AS PUBLIC  
23 OFFICIALS OR PARTY OFFICERS FOR ONE YEAR AFTER LEAVING THE  
24 EMPLOY OF THE AUTHORITY.

25 (G) EMPLOYEES AND AGENTS.--THE BOARD SHALL FIX AND DETERMINE  
26 THE NUMBER OF EMPLOYEES OF THE AUTHORITY AND THEIR RESPECTIVE  
27 COMPENSATION AND DUTIES. THE BOARD MAY CONTRACT FOR OR RECEIVE  
28 THE LOAN OF SERVICES OF PERSONS IN THE EMPLOY OF OTHER  
29 GOVERNMENT AGENCIES, AND OTHER GOVERNMENT AGENCIES SHALL BE  
30 AUTHORIZED TO MAKE SUCH EMPLOYEES AVAILABLE. THE BOARD SHALL

1 RETAIN AN EXECUTIVE DIRECTOR UPON THE VOTE OF A QUALIFIED  
2 MAJORITY. THE BOARD MAY, BY THE VOTE OF A QUALIFIED MAJORITY,  
3 HIRE AN INDEPENDENT GENERAL COUNSEL TO THE AUTHORITY, AND MAY  
4 ENGAGE CONSULTANTS AND CONTRACT FOR OTHER PROFESSIONAL SERVICES  
5 UPON THE VOTE OF A QUALIFIED MAJORITY. THE BOARD SHALL, UPON THE  
6 APPROVAL OF A QUALIFIED MAJORITY, DELEGATE TO THE EXECUTIVE  
7 DIRECTOR SUCH POWERS OF THE BOARD AS THE BOARD SHALL DEEM  
8 NECESSARY TO CARRY OUT THE PURPOSES OF THE AUTHORITY, SUBJECT IN  
9 EVERY CASE TO THE SUPERVISION AND CONTROL OF THE BOARD.

10 (H) STATUTES APPLYING TO AUTHORITY.--THE PROVISIONS OF THE  
11 FOLLOWING ACTS SHALL APPLY TO THE AUTHORITY: THE ACT OF JUNE 21,  
12 1957 (P.L.390, NO.212), REFERRED TO AS THE RIGHT-TO-KNOW LAW;  
13 THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE STATE  
14 ADVERSE INTEREST ACT; AND THE ACT OF OCTOBER 4, 1978 (P.L.883,  
15 NO.170), REFERRED TO AS THE PUBLIC OFFICIAL AND EMPLOYEE ETHICS  
16 LAW; PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE PROVISIONS OF  
17 THE STATE ADVERSE INTEREST ACT, THE SECRETARY OF THE BUDGET AND  
18 THE DIRECTOR OF FINANCE OF EACH ASSISTED CITY SHALL, WHILE  
19 SERVING AS EX OFFICIO MEMBERS OF THE BOARD, ALSO SERVE IN THEIR  
20 OFFICIAL CAPACITIES WITH RESPECT TO THE NEGOTIATION AND  
21 EXECUTION OF INTERGOVERNMENTAL COOPERATION AGREEMENTS AND OTHER  
22 AGREEMENTS BETWEEN AN ASSISTED CITY AND THE AUTHORITY.

23 SECTION 203. POWERS AND DUTIES.

24 (A) GENERAL POWERS AND DUTIES.--THE AUTHORITY IS ESTABLISHED  
25 FOR THE PURPOSES, WITHOUT LIMITATION, BY ITSELF OR BY AGREEMENT  
26 IN COOPERATION WITH OTHERS, OF ASSISTING CITIES IN SOLVING THEIR  
27 BUDGETARY AND FINANCIAL PROBLEMS, AND HELPING CITIES ACHIEVE AND  
28 MAINTAIN ACCESS TO THE CAPITAL MARKETS.

29 (B) SPECIFIC DUTIES.--THE AUTHORITY SHALL HAVE THE POWERS  
30 AND ITS DUTIES SHALL BE:

1           (1) TO ASSIST CITIES IN ACHIEVING FINANCIAL STABILITY IN  
2 ANY MANNER CONSISTENT WITH THE PURPOSES AND POWERS DESCRIBED  
3 BY THIS ACT.

4           (2) TO ASSIST CITIES IN AVOIDING DEFAULTS, ELIMINATING  
5 AND FINANCING DEFICITS, MAINTAINING SOUND BUDGETARY  
6 PRACTICES, AND AVOIDING THE INTERRUPTION OF MUNICIPAL  
7 SERVICES.

8           (3) TO BORROW MONEY AND ISSUE BONDS TO ASSIST CITIES.

9           (4) TO NEGOTIATE INTERGOVERNMENTAL COOPERATION  
10 AGREEMENTS WITH CITIES CONTAINING SUCH TERMS AND CONDITIONS  
11 AS WILL ENABLE SUCH CITIES TO ELIMINATE AND AVOID DEFICITS,  
12 MAINTAIN SOUND BUDGETARY PRACTICES AND AVOID INTERRUPTION OF  
13 MUNICIPAL SERVICES.

14          (5) TO MAKE ANNUAL REPORTS WITHIN 120 DAYS OF THE CLOSE  
15 OF THE AUTHORITY'S FISCAL YEAR, COMMENCING WITH THE FISCAL  
16 YEAR ENDING JUNE 30, 1992, TO THE GOVERNOR AND THE GENERAL  
17 ASSEMBLY DESCRIBING ITS PROGRESS WITH RESPECT TO RESTORING  
18 THE FINANCIAL STABILITY OF ASSISTED CITIES AND ACHIEVING  
19 BALANCED BUDGETS FOR ASSISTED CITIES, SUCH REPORTS TO BE  
20 FILED WITH THE GOVERNOR, THE PRESIDING OFFICERS OF THE SENATE  
21 AND THE HOUSE OF REPRESENTATIVES, WITH THE CHAIRMAN AND  
22 MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE  
23 SENATE AND THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF  
24 REPRESENTATIVES AND WITH THE GOVERNING BODY, MAYOR AND  
25 CONTROLLER OF THE ASSISTED CITY.

26          (6) TO COMPLY WITH THE PROVISIONS OF SECTION 317  
27 CONCERNING THE MAXIMUM AMOUNT OF THE FIRST SERIES OF  
28 AUTHORITY BONDS AND THE DATE OF ISSUANCE THEREOF.

29          (C) SPECIFIC POWERS.--IN ADDITION TO THE POWERS AND DUTIES  
30 SET FORTH ELSEWHERE IN THIS ACT, THE AUTHORITY SHALL HAVE THE

1 SPECIFIC POWERS:

2 (1) TO OBTAIN COPIES OF ALL CITY REPORTS REGARDING THE  
3 REVENUES, EXPENDITURES, BUDGETS, COSTS, PLANS, OPERATIONS,  
4 ESTIMATES AND ANY OTHER FINANCIAL OR BUDGETARY MATTERS OF AN  
5 ASSISTED CITY.

6 (2) TO OBTAIN ADDITIONAL REPORTS ON THE ABOVE MATTERS IN  
7 SUCH FORM AS ARE DEEMED NECESSARY BY THE AUTHORITY.

8 (3) TO MAKE FACTUAL FINDINGS CONCERNING AN ASSISTED  
9 CITY'S BUDGETARY AND FISCAL AFFAIRS.

10 (4) TO MAKE RECOMMENDATIONS TO AN ASSISTED CITY  
11 CONCERNING ITS BUDGETARY AND FISCAL AFFAIRS.

12 (5) TO MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE  
13 GENERAL ASSEMBLY REGARDING LEGISLATION OR RESOLUTIONS THAT  
14 AFFECT COMMONWEALTH AID OR MANDATES TO AN ASSISTED CITY, OR  
15 THAT CONCERN AN ASSISTED CITY'S TAXING POWERS OR RELATE TO AN  
16 ASSISTED CITY'S FISCAL STABILITY.

17 (6) TO PROVIDE FINANCIAL ASSISTANCE, INCLUDING LOANS AND  
18 GRANTS, TO ASSIST CITIES UPON SUCH TERMS AND CONDITIONS AS  
19 MAY BE APPROVED BY A QUALIFIED MAJORITY OF THE BOARD OR AS  
20 MAY BE SPECIFIED BY THE GENERAL ASSEMBLY TO ELIMINATE OR  
21 PREVENT DEFICITS OF A CITY.

22 (7) SUBJECT TO ANY LIMITATIONS IN AGREEMENTS WITH  
23 OBLIGEEES OF THE AUTHORITY, TO ENTER INTO AND AMEND AS SHALL  
24 BE NECESSARY FROM TIME TO TIME INTERGOVERNMENTAL COOPERATION  
25 AGREEMENTS WITH A CITY PROVIDED THAT SUCH AGREEMENTS ARE  
26 APPROVED BY A QUALIFIED MAJORITY OF THE BOARD.

27 (8) TO EXERCISE, WHILE ANY BONDS ISSUED BY THE AUTHORITY  
28 TO ASSIST THE CITY REMAIN OUTSTANDING, POWERS OF REVIEW  
29 CONCERNING THE BUDGETARY AND FISCAL AFFAIRS OF THAT CITY  
30 CONSISTENT WITH THIS ACT AND THE CITY'S HOME RULE CHARTER OR

1 OTHER OPTIONAL PLAN OF GOVERNMENT.

2 (9) TO RECEIVE REVENUES FROM ANY SOURCE, DIRECTLY OR BY  
3 ASSIGNMENT, PLEDGE OR OTHERWISE.

4 (10) TO SUE AND BE SUED, IMPEAD AND BE IMPEADED,  
5 COMPLAIN AND DEFEND IN ALL COURTS.

6 (11) TO ADOPT, USE AND ALTER AT WILL A CORPORATE SEAL.

7 (12) TO MAKE BYLAWS FOR THE MANAGEMENT AND REGULATION OF  
8 ITS AFFAIRS AND ADOPT RULES, REGULATIONS AND POLICIES IN  
9 CONNECTION WITH THE PERFORMANCE OF ITS FUNCTIONS AND DUTIES  
10 WHICH, NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE  
11 CONTRARY, SHALL NOT BE SUBJECT TO REVIEW PURSUANT TO THE ACT  
12 OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY  
13 REVIEW ACT.

14 (13) TO MAKE AND ENTER INTO CONTRACTS AND OTHER  
15 INSTRUMENTS NECESSARY OR CONVENIENT FOR THE CONDUCT OF ITS  
16 BUSINESS AND THE EXERCISE OF THE POWERS OF THE AUTHORITY.

17 (14) TO APPOINT OFFICERS, AGENTS, EMPLOYEES AND SERVANTS  
18 AND TO PRESCRIBE THEIR DUTIES AND TO FIX THEIR COMPENSATION  
19 AS SET FORTH IN SECTION 202(G).

20 (15) TO RETAIN COUNSEL AND AUDITORS TO RENDER SUCH  
21 PROFESSIONAL SERVICES AS THE AUTHORITY DEEMS APPROPRIATE. THE  
22 AUTHORITY SHALL NOT BE CONSIDERED EITHER AN EXECUTIVE AGENCY  
23 OR AN INDEPENDENT AGENCY FOR THE PURPOSE OF THE ACT OF  
24 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH  
25 ATTORNEYS ACT, BUT SHALL POSSESS THE SAME STATUS FOR SUCH  
26 PURPOSE AS THE AUDITOR GENERAL, STATE TREASURER AND THE  
27 PENNSYLVANIA PUBLIC UTILITY COMMISSION; EXCEPT THAT THE  
28 PROVISIONS OF SECTION 204(B) AND (F) OF THE COMMONWEALTH  
29 ATTORNEYS ACT SHALL NOT APPLY TO THE AUTHORITY;

30 NOTWITHSTANDING THE PROVISIONS OF SECTION 221(1) OF THE ACT

1 OF OCTOBER 5, 1980 (P.L.693, NO.142), KNOWN AS THE JARA  
2 CONTINUATION ACT OF 1980, THE AUTHORITY, THROUGH ITS LEGAL  
3 COUNSEL, SHALL DEFEND ACTIONS BROUGHT AGAINST THE AUTHORITY,  
4 OR ITS MEMBERS, OFFICERS, OFFICIALS AND EMPLOYEES WHEN ACTING  
5 WITHIN THE SCOPE OF THEIR OFFICIAL DUTIES.

6 (16) TO COOPERATE WITH ANY FEDERAL AGENCY OR GOVERNMENT  
7 AGENCY.

8 (17) TO ACQUIRE, BY GIFT OR OTHERWISE, PURCHASE, HOLD,  
9 RECEIVE, LEASE, SUBLEASE AND USE ANY FRANCHISE, LICENSE,  
10 PROPERTY, REAL, PERSONAL OR MIXED, TANGIBLE OR INTANGIBLE OR  
11 ANY INTEREST THEREIN.

12 (18) TO SELL, TRANSFER, CONVEY AND DISPOSE OF ANY  
13 PROPERTY, REAL, PERSONAL OR MIXED, TANGIBLE OR INTANGIBLE OR  
14 ANY INTEREST THEREIN.

15 (19) TO ENTER INTO CONTRACTS FOR GROUP INSURANCE AND TO  
16 CONTRIBUTE TO RETIREMENT PLANS FOR THE BENEFIT OF ITS  
17 EMPLOYEES.

18 (20) TO ACCEPT FROM, PURCHASE OR BORROW EQUIPMENT,  
19 SUPPLIES, SERVICES OR OTHER THINGS NECESSARY OR CONVENIENT TO  
20 THE WORK OF THE AUTHORITY FROM OTHER GOVERNMENT AGENCIES, AND  
21 ALL GOVERNMENT AGENCIES ARE AUTHORIZED TO SELL, LEND OR GRANT  
22 TO THE AUTHORITY SUCH EQUIPMENT, SUPPLIES, SERVICES OR OTHER  
23 THINGS NECESSARY OR CONVENIENT TO THE WORK OF THE AUTHORITY.

24 (21) TO BORROW MONEY FOR THE PURPOSE OF ASSISTING A  
25 CITY, OR IN ANTICIPATION OF THE RECEIPT OF INCOME OF THE  
26 AUTHORITY AND TO EVIDENCE THE SAME; MAKE AND ISSUE BONDS OF  
27 THE AUTHORITY; SECURE THE PAYMENT OF SUCH BONDS OR ANY PART  
28 THEREOF, BY PLEDGE OF OR SECURITY INTEREST IN ALL OR ANY OF  
29 ITS REVENUES, RECEIPTS, ACCOUNTS, TANGIBLE PERSONAL PROPERTY  
30 AND CONTRACT RIGHTS; MAKE SUCH AGREEMENTS WITH THE PURCHASERS

1 OR HOLDERS OF SUCH BONDS OR WITH OTHER OBLIGEEES OF THE  
2 AUTHORITY IN CONNECTION WITH ANY BONDS, WHETHER ISSUED OR TO  
3 BE ISSUED, AS THE AUTHORITY SHALL DEEM ADVISABLE, WHICH  
4 AGREEMENTS SHALL CONSTITUTE CONTRACTS WITH SUCH HOLDERS OR  
5 PURCHASERS; OBTAIN SUCH CREDIT ENHANCEMENT OR LIQUIDITY  
6 FACILITIES IN CONNECTION WITH ANY BONDS AS THE AUTHORITY  
7 SHALL DETERMINE TO BE ADVANTAGEOUS; AND, IN GENERAL, PROVIDE  
8 FOR THE SECURITY FOR SAID BONDS AND THE RIGHTS OF THE HOLDERS  
9 THEREOF.

10 (22) TO LEND, TRANSFER OR PLEDGE FOR THE BENEFIT OF AN  
11 ASSISTED CITY SUCH ASSETS, INCLUDING PROCEEDS OF BONDS, AS  
12 THE AUTHORITY DEEMS APPROPRIATE, TO BE USED BY SUCH A CITY AS  
13 CAPITAL OR OPERATING FUNDS AS PROVIDED IN AN  
14 INTERGOVERNMENTAL COOPERATION AGREEMENT, TO REFINANCE OR  
15 SECURE DEBT OF AN ASSISTED CITY, OR FOR OTHER PURPOSES  
16 CONSISTENT WITH THIS ACT.

17 (23) TO ENTER INTO AGREEMENTS WITH AN ASSISTED CITY THAT  
18 RECEIVES FUNDS OR OTHER FINANCIAL ASSISTANCE FROM THE  
19 AUTHORITY PURSUANT TO WHICH SUCH CITY MAY PLEDGE ASSETS,  
20 RIGHTS, REVENUES AND RECEIPTS, INCLUDING TAX REVENUES, TO  
21 SECURE THE REPAYMENT OF SUCH FUNDS OR ASSISTANCE BY SUCH CITY  
22 IF SUCH SECURITY IS REQUIRED BY THE AUTHORITY.

23 (24) TO INVEST ANY FUNDS HELD BY THE AUTHORITY AS SET  
24 FORTH IN SECTION 311(B).

25 (25) TO RECEIVE AND HOLD ASSETS, MONEYS AND FUNDS FROM  
26 ANY SOURCE, INCLUDING, BUT NOT LIMITED TO, APPROPRIATIONS,  
27 GRANTS, GIFTS AND SUCH TAX REVENUES AS MAY BE ALLOCATED OR  
28 DIRECTED TO IT BY LAW FOR THE PURPOSES OF SECURING AUTHORITY  
29 INDEBTEDNESS AND PROVIDING ASSISTANCE TO CITIES IN ACCORDANCE  
30 WITH THIS ACT.

1           (26) TO PROCURE SUCH INSURANCE, GUARANTEES AND SURETIES  
2           CONTAINING SUCH COVERAGES, INCLUDING, WITHOUT LIMITATION,  
3           CONTRACTS INSURING OR GUARANTEEING THE TIMELY PAYMENT IN FULL  
4           OF PRINCIPAL, INTEREST AND PREMIUM, IF ANY, ON BONDS OF THE  
5           AUTHORITY, OR PROVIDING LIQUIDITY FOR PURCHASE OF BONDS OF  
6           THE AUTHORITY, IN SUCH AMOUNTS, FROM SUCH INSURERS, SURETIES,  
7           GUARANTORS, OR OTHER PARTIES AS THE AUTHORITY MAY DETERMINE  
8           TO BE NECESSARY OR DESIRABLE FOR ITS PURPOSES.

9           (27) TO PLEDGE THE CREDIT OF THE AUTHORITY IN THE MANNER  
10          PROVIDED IN SECTION 304.

11          (28) TO DO ALL ACTS AND THINGS NECESSARY OR CONVENIENT  
12          FOR THE PROMOTION OF ITS PURPOSES AND THE GENERAL WELFARE OF  
13          THE AUTHORITY AND TO CARRY OUT THE POWERS GRANTED TO IT BY  
14          THIS ACT OR ANY OTHER ACTS.

15          (D) INTERGOVERNMENTAL COOPERATION AGREEMENTS.--THE AUTHORITY  
16          SHALL HAVE THE POWER AND ITS DUTY SHALL BE TO ENTER INTO AND TO  
17          IMPLEMENT FULLY SUCH INTERGOVERNMENTAL COOPERATION AGREEMENTS  
18          WITH CITIES AS ARE APPROVED BY A QUALIFIED MAJORITY OF THE  
19          BOARD. SUCH AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, THE  
20          INITIAL AGREEMENTS DESCRIBED IN SECTION 209(A) MAY INCLUDE SUCH  
21          DEFINITIONS AND PROCEDURES AS MAY BE NECESSARY TO IMPLEMENT THE  
22          FINANCIAL PLANNING PROCESS SET FORTH IN SECTIONS 209 AND 210.  
23          INTERGOVERNMENTAL COOPERATION AGREEMENTS AS WELL AS OTHER  
24          AGREEMENTS TO PROVIDE ASSISTANCE TO THE CITY OF PHILADELPHIA, A  
25          CITY ELIGIBLE FOR ASSISTANCE PURSUANT TO THIS ACT, SHALL BE  
26          DEEMED CONTRACTS ENTERED INTO BETWEEN A CITY AND AN AUTHORITY AS  
27          SET FORTH IN SECTION 8-200(3) OF THE PHILADELPHIA HOME RULE  
28          CHARTER. PAYMENTS TO BE MADE BY A CITY TO THE AUTHORITY PURSUANT  
29          TO SUCH AN AGREEMENT SHALL NOT BE DEEMED DEBT OF THE CITY.  
30          INTERGOVERNMENTAL COOPERATION AGREEMENTS SHALL CONTAIN SUCH



1 TERMS AND BE NEGOTIATED IN SUCH MANNER AS THE AUTHORITY AND AN  
2 ASSISTED CITY SHALL DETERMINE CONSISTENT WITH THIS ACT AND THE  
3 CONSTITUTION OF PENNSYLVANIA.

4 (1) A CITY MAY ENTER INTO AN INTERGOVERNMENTAL  
5 COOPERATION AGREEMENT IN WHICH IT, CONSISTENT WITH THIS ACT,  
6 COVENANTS TO COOPERATE OR AGREE IN THE EXERCISE OF ANY  
7 FUNCTION, POWER OR RESPONSIBILITY WITH, OR DELEGATE OR  
8 TRANSFER ANY FUNCTIONS, POWER OR RESPONSIBILITY TO THE  
9 AUTHORITY UPON THE ADOPTION BY THE GOVERNING BODY OF SUCH  
10 CITY OF AN ORDINANCE AUTHORIZING AND APPROVING THE  
11 INTERGOVERNMENTAL COOPERATION AGREEMENT.

12 (2) AN ORDINANCE THAT AUTHORIZES A CITY TO ENTER INTO AN  
13 INTERGOVERNMENTAL COOPERATION AGREEMENT WITH THE AUTHORITY  
14 SHALL SPECIFY:

15 (I) THE PURPOSE AND OBJECTIVES OF THE AGREEMENT;

16 (II) THE CONDITIONS OF THE AGREEMENT; AND

17 (III) THE TERM OF THE AGREEMENT, INCLUDING

18 PROVISIONS RELATING TO ITS TERMINATION.

19 (E) LIMITATION.--NOTWITHSTANDING ANY PURPOSE OR GENERAL OR  
20 SPECIFIC POWER GRANTED BY THIS ACT OR ANY OTHER ACT, WHETHER  
21 EXPRESS OR IMPLIED:

22 (1) THE AUTHORITY SHALL HAVE NO POWER TO PLEDGE THE  
23 CREDIT OR TAXING POWERS OF THE COMMONWEALTH OR ANY OTHER  
24 GOVERNMENT AGENCY, INCLUDING AN ASSISTED CITY, EXCEPT THE  
25 CREDIT OF THE AUTHORITY CREATED BY THIS ACT, NOR SHALL ANY OF  
26 THE BONDS OF THE AUTHORITY BE DEEMED A DEBT OR LIABILITY OF  
27 THE COMMONWEALTH OR OF ANY OTHER GOVERNMENT AGENCY, INCLUDING  
28 A CITY.

29 (2) NEITHER THE COMMONWEALTH NOR ANY GOVERNMENT AGENCY,  
30 INCLUDING A CITY, EXCEPT THE AUTHORITY CREATED BY THIS ACT,

1 SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL, INTEREST OR  
2 PREMIUM ON ANY SUCH BONDS.

3 (3) BONDS OF THE AUTHORITY SHALL CONTAIN A PROMINENT  
4 STATEMENT OF THE LIMITATION SET FORTH IN THIS SUBSECTION AND  
5 SHALL FURTHER RECITE THAT OBLIGEEES OF THE AUTHORITY SHALL  
6 HAVE NO RECOURSE TO THE COMMONWEALTH OR ANY OTHER GOVERNMENT  
7 AGENCY INCLUDING THE CITY FOR PAYMENT OF SUCH BONDS.

8 SECTION 204. TERM OF EXISTENCE OF AUTHORITY.

9 THE AUTHORITY SHALL HAVE CONTINUING EXISTENCE AND SUCCESSION  
10 CONTINUE FOR A TERM NOT EXCEEDING ONE YEAR AFTER ALL OF ITS  
11 LIABILITIES, INCLUDING, WITHOUT LIMITATION, ITS BONDS HAVE BEEN  
12 FULLY PAID AND DISCHARGED. UPON THE TERMINATION OF THE EXISTENCE  
13 OF THE AUTHORITY, ALL OF ITS RIGHTS AND PROPERTIES, INCLUDING  
14 FUNDS REMAINING IN THE DEBT SERVICE RESERVE FUND, SHALL BE PAID  
15 TO THE COMMONWEALTH TO THE EXTENT THE COMMONWEALTH HAS  
16 CONTRIBUTED SUCH RIGHTS OR PROPERTY; OTHERWISE SUCH RIGHTS OR  
17 PROPERTY SHALL PASS TO AND BE VESTED IN THE ASSISTED CITY.

18 SECTION 205. FISCAL YEAR.

19 THE FISCAL YEAR OF THE AUTHORITY SHALL BE THE SAME AS THE  
20 FISCAL YEAR OF THE COMMONWEALTH.

21 SECTION 206. ANNUAL BUDGET OF AUTHORITY.

22 (A) SUBMISSION.--THE AUTHORITY SHALL PREPARE AND SUBMIT TO  
23 THE SECRETARY OF THE BUDGET A BUDGET REQUEST FOR THE ENSUING  
24 FISCAL YEAR IN ACCORDANCE WITH SECTION 610 OF THE ACT OF APRIL  
25 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF  
26 1929. THE BUDGET REQUEST SHALL SET FORTH IN REASONABLE DETAIL  
27 THE PROJECTED EXPENSES OF OPERATION OF THE AUTHORITY FOR SUCH  
28 FISCAL YEAR, (EXCLUSIVE OF THE AMOUNTS SET FORTH IN PARAGRAPHS  
29 (1), (2), (3) AND (4)), INCLUDING, BUT NOT LIMITED TO, THE  
30 SALARY AND BENEFITS OF THE EXECUTIVE DIRECTOR AND ANY OTHER

1 EMPLOYEES OF THE AUTHORITY. THE SUBMISSION OF THE OPERATING  
2 BUDGET REQUEST SHALL BE ACCOMPANIED BY A CERTIFICATION OF THE  
3 AUTHORITY SETTING FORTH:

4 (1) THE TOTAL AMOUNT OF DEBT SERVICE TO BECOME DUE ON  
5 AUTHORITY BONDS FOR SUCH ENSUING FISCAL YEAR, INCLUDING  
6 PAYMENTS OF INTEREST AND PRINCIPAL, MATURITY VALUE OR SINKING  
7 FUND PAYMENTS;

8 (2) THE AMOUNT, IF ANY, DUE TO ANY PROVIDER OF ANY  
9 CREDIT OR LIQUIDITY FACILITY REPRESENTING PAYMENTS MADE BY  
10 SUCH PROVIDER AS PROVIDED IN THE APPLICABLE RESOLUTION OR  
11 TRUST INDENTURE AS A RESULT OF ANY PREVIOUS FAILURE OF THE  
12 AUTHORITY TO MAKE ANY PAYMENT PROVIDED FOR IN THE APPLICABLE  
13 RESOLUTION OR TRUST INDENTURE, INCLUDING ANY RELATED  
14 REASONABLE INTEREST, FEES OR CHARGES SO PROVIDED;

15 (3) THE AMOUNT, IF ANY, REQUIRED TO RESTORE THE DEBT  
16 SERVICE RESERVE FUND TO THE LEVEL REQUIRED UNDER SECTION 313;  
17 AND

18 (4) THE AMOUNT, IF ANY, REQUIRED TO BE REBATED TO THE  
19 UNITED STATES TO PROVIDE FOR CONTINUED FEDERAL TAX EXEMPTION  
20 FOR BONDS OF THE AUTHORITY.

21 (B) EXAMINATION OF BOOKS.--THE CHAIRPERSON AND MINORITY  
22 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND  
23 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
24 COMMITTEE OF THE HOUSE OF REPRESENTATIVES SHALL HAVE THE RIGHT  
25 AT ANY TIME TO EXAMINE THE BOOKS, ACCOUNTS AND RECORDS OF THE  
26 AUTHORITY.

27 SECTION 207. ANNUAL REPORT TO BE FILED; ANNUAL AUDITS.

28 EVERY AUTHORITY SHALL FILE AN ANNUAL REPORT WITH THE  
29 CHAIRPERSON AND THE MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
30 COMMITTEE OF THE SENATE AND CHAIRPERSON AND THE MINORITY

1 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF  
2 REPRESENTATIVES, WHICH SHALL MAKE PROVISIONS FOR THE ACCOUNTING  
3 OF REVENUES AND EXPENSES. THE AUTHORITY SHALL HAVE ITS BOOKS,  
4 ACCOUNTS AND RECORDS AUDITED ANNUALLY IN ACCORDANCE WITH  
5 GENERALLY ACCEPTED AUDITING STANDARDS BY AN INDEPENDENT AUDITOR  
6 WHO SHALL BE A CERTIFIED PUBLIC ACCOUNTANT, AND A COPY OF HIS  
7 AUDIT REPORT SHALL BE ATTACHED TO AND BE MADE A PART OF THE  
8 AUTHORITY'S ANNUAL REPORT. A CONCISE FINANCIAL STATEMENT SHALL  
9 BE PUBLISHED ANNUALLY IN THE PENNSYLVANIA BULLETIN.

10 SECTION 208. AUTHORITY'S FINANCIAL ASSISTANCE TO CITIES.

11 (A) LOANS.--THE AUTHORITY MAY RENDER FINANCIAL ASSISTANCE TO  
12 CITIES IN THE FORM OF LOANS AND GRANTS FROM AUTHORITY FUNDS  
13 INCLUDING PROCEEDS FROM BONDS, AND CITIES MAY BORROW OR RECEIVE  
14 SUCH FUNDS FOR ANY LAWFUL PURPOSE. LOANS AND GRANTS AUTHORIZED  
15 BY THIS SECTION SHALL BE MADE ON SUCH TERMS AND CONDITIONS AS A  
16 QUALIFIED MAJORITY OF THE BOARD SHALL APPROVE.

17 (B) CITY PLEDGE.--A CITY MAY PLEDGE ANY AVAILABLE SOURCE OF  
18 REVENUE TO SECURE PAYMENTS DUE TO THE AUTHORITY UNDER ANY  
19 AGREEMENT WITH THE AUTHORITY, INCLUDING AN INTERGOVERNMENTAL  
20 COOPERATION AGREEMENT. ANY PLEDGE OF REVENUES MADE BY A CITY FOR  
21 THESE PURPOSES, INCLUDING WITHOUT LIMITATION, A PLEDGE OF TAX  
22 REVENUES, SHALL BE BINDING AND ENFORCEABLE UPON SUCH CITY AND  
23 ITS GOVERNING BODY FOR AS LONG AS ANY AGREEMENT SECURED BY SUCH  
24 PLEDGE REMAINS OUTSTANDING. A CITY SHALL TAKE NO ACTION DURING  
25 THE TERM OF SUCH AGREEMENT, OR SO LONG AS BONDS SECURED BY  
26 PAYMENTS UNDER SUCH AGREEMENT ARE OUTSTANDING, THAT WOULD  
27 TRANSFER FOR ANOTHER PURPOSE OR REDUCE PLEDGED REVENUES, OR TAKE  
28 ANY OTHER ACTION WHICH WOULD IMPAIR THE RIGHTS OF THE AUTHORITY  
29 OR OBLIGEEES OF THE AUTHORITY.

30 (C) ADDITIONAL CITY APPROPRIATIONS.--A CITY THAT RECEIVES A

1 LOAN OR GRANT FROM THE AUTHORITY AFTER SUCH CITY HAS ADOPTED ITS  
2 OPERATING BUDGET MAY, AT ANY TIME DURING THE COURSE OF A FISCAL  
3 YEAR, MAKE ADDITIONAL APPROPRIATIONS TO THE EXTENT OF THE  
4 PROCEEDS OF SUCH LOAN OR GRANT RECEIVED OR TO BE RECEIVED BY  
5 SUCH CITY IN SUCH FISCAL YEAR.

6 SECTION 209. FINANCIAL PLAN OF AN ASSISTED CITY.

7 (A) REQUIREMENT OF A FINANCIAL PLAN.--WHILE ANY BONDS ISSUED  
8 BY THE AUTHORITY TO ASSIST A CITY REMAIN OUTSTANDING, AN  
9 ASSISTED CITY SHALL DEVELOP AND PERIODICALLY REVISE A FINANCIAL  
10 PLAN AS DESCRIBED IN THIS SECTION. THE AUTHORITY SHALL NOT  
11 PROVIDE THE NET PROCEEDS OF THE INITIAL BOND ISSUE DESCRIBED IN  
12 SECTION 317, OTHER THAN ANY AMOUNTS NECESSARY TO ENABLE SUCH  
13 CITY TO PAY PRINCIPAL OF OR INTEREST ON ITS OUTSTANDING BONDS,  
14 OR LEASE PAYMENTS SECURING BONDS OF OTHER GOVERNMENT AGENCIES,  
15 WHICH PAYMENTS, IN THE AUTHORITY'S DISCRETION, MAY BE MADE  
16 DIRECTLY TO THE PAYING AGENTS FOR SUCH BONDS, UNTIL THE  
17 AUTHORITY AND THE CITY HAVE AGREED UPON SUCH A PLAN, WHICH PLAN  
18 AS AGREED UPON SHALL BE INCLUDED AS AN APPENDIX TO AN  
19 INTERGOVERNMENTAL COOPERATION AGREEMENT BETWEEN THE AUTHORITY  
20 AND THE CITY AND INCORPORATED THEREIN.

21 (B) ELEMENTS OF PLAN.--THE FINANCIAL PLAN SHALL INCLUDE:

22 (1) PROJECTED REVENUES AND EXPENDITURES OF THE PRINCIPAL  
23 OPERATING FUND OR FUNDS OF THE CITY FOR FIVE FISCAL YEARS  
24 CONSISTING OF THE CURRENT FISCAL YEAR AND THE NEXT FOUR  
25 FISCAL YEARS.

26 (2) PLAN COMPONENTS THAT WILL:

27 (I) ELIMINATE ANY PROJECTED DEFICIT FOR THE CURRENT  
28 FISCAL YEAR AND FOR SUBSEQUENT FISCAL YEARS;

29 (II) RESTORE TO SPECIAL FUND ACCOUNTS MONEY FROM  
30 THOSE ACCOUNTS USED FOR PURPOSES OTHER THAN THOSE

SPECIFICALLY AUTHORIZED;

(III) BALANCE THE CURRENT FISCAL YEAR BUDGET AND  
SUBSEQUENT BUDGETS IN THE FINANCIAL PLAN THROUGH SOUND  
BUDGETARY PRACTICES, INCLUDING, BUT NOT LIMITED TO,  
REDUCTIONS IN EXPENDITURES, IMPROVEMENTS IN PRODUCTIVITY,  
INCREASES IN REVENUES, OR A COMBINATION OF THESE STEPS;

(IV) PROVIDE PROCEDURES TO AVOID A FISCAL EMERGENCY  
CONDITION IN THE FUTURE; AND

(V) ENHANCE THE ABILITY OF THE CITY TO REGAIN ACCESS  
TO THE SHORT-TERM AND LONG-TERM CREDIT MARKETS.

(C) STANDARDS FOR FORMULATION OF PLAN.--ALL PROJECTIONS OF  
REVENUES AND EXPENDITURES IN A FINANCIAL PLAN SHALL BE BASED ON  
REASONABLE AND APPROPRIATE ASSUMPTIONS AND METHODS OF  
ESTIMATION, ALL SUCH ASSUMPTIONS AND METHODS TO BE CONSISTENTLY  
APPLIED. ALL CASH FLOW PROJECTIONS SHALL BE BASED UPON  
REASONABLE AND APPROPRIATE ASSUMPTIONS AS TO SOURCES AND USES OF  
CASH, INCLUDING, BUT NOT LIMITED TO, REASONABLE AND APPROPRIATE  
ASSUMPTIONS AS TO THE TIMING OF RECEIPT AND EXPENDITURE THEREOF  
AND SHALL PROVIDE FOR OPERATIONS OF THE ASSISTED CITY TO BE  
CONDUCTED WITHIN THE CASH RESOURCES SO PROJECTED. ALL ESTIMATES  
SHALL TAKE DUE ACCOUNT OF THE PAST AND ANTICIPATED COLLECTION,  
EXPENDITURE AND SERVICE DEMAND EXPERIENCE OF THE ASSISTED CITY  
AND OF CURRENT AND PROJECTED ECONOMIC CONDITIONS.

(D) FORM OF PLAN.--EACH FINANCIAL PLAN SHALL, CONSISTENT  
WITH THE REQUIREMENTS OF AN ASSISTED CITY'S HOME RULE CHARTER OR  
OPTIONAL PLAN OF GOVERNMENT:

(1) BE IN SUCH FORM AND SHALL CONTAIN:

(I) FOR EACH OF THE FIRST TWO FISCAL YEARS COVERED  
BY THE FINANCIAL PLAN SUCH INFORMATION AS SHALL REFLECT  
AN ASSISTED CITY'S TOTAL EXPENDITURES BY FUND AND BY LUMP

SUM AMOUNT FOR EACH BOARD, COMMISSION, DEPARTMENT OR  
OFFICE OF AN ASSISTED CITY; AND

(II) FOR THE REMAINING THREE FISCAL YEARS OF THE  
FINANCIAL PLAN SUCH INFORMATION AS SHALL REFLECT AN  
ASSISTED CITY'S TOTAL EXPENDITURES BY FUND AND BY LUMP  
SUM AMOUNT FOR MAJOR OBJECT CLASSIFICATION;

(2) INCLUDE PROJECTIONS OF ALL REVENUES AND EXPENDITURES  
FOR FIVE FISCAL YEARS, INCLUDING, BUT NOT LIMITED TO,  
PROJECTED CAPITAL EXPENDITURES AND SHORT-TERM AND LONG-TERM  
DEBT INCURRENCE AND CASH FLOW FORECASTS BY FUND FOR THE FIRST  
YEAR OF THE FINANCIAL PLAN;

(3) INCLUDE A SCHEDULE OF PROJECTED CAPITAL COMMITMENTS  
OF THE ASSISTED CITY AND PROPOSED SOURCES OF FUNDING FOR SUCH  
COMMITMENTS; AND

(4) BE ACCOMPANIED BY A STATEMENT DESCRIBING, IN  
REASONABLE DETAIL, THE SIGNIFICANT ASSUMPTIONS AND METHODS OF  
ESTIMATION USED IN ARRIVING AT THE PROJECTIONS CONTAINED IN  
SUCH PLAN.

(E) ANNUAL SUBMISSION OF PLAN.--AN ASSISTED CITY SHALL  
DEVELOP, AND THE AUTHORITY SHALL REVIEW AND ACT UPON, AN INITIAL  
FIVE-YEAR FINANCIAL PLAN FOR THE CITY AS SOON AS PRACTICABLE  
AFTER THE EFFECTIVE DATE OF THIS ACT. DURING EACH SUBSEQUENT  
FISCAL YEAR WHILE BONDS OF THE AUTHORITY ARE OUTSTANDING, THE  
MAYOR OR CHIEF EXECUTIVE OFFICER OF EACH ASSISTED CITY SHALL, AT  
LEAST 90 DAYS PRIOR TO THE BEGINNING OF ITS FISCAL YEAR, OR ON  
SUCH OTHER DATE AS THE AUTHORITY MAY APPROVE UPON THE REQUEST OF  
THE ASSISTED CITY, PREPARE AND SUBMIT ITS PROPOSED FIVE-YEAR  
PLAN. AT THE SAME TIME THE PLAN IS SUBMITTED, THE MAYOR OR CHIEF  
EXECUTIVE OFFICER SHALL ALSO SUBMIT TO THE AUTHORITY:

(1) THE MAYOR'S, OR CHIEF EXECUTIVE OFFICER'S, PROPOSED

1 ANNUAL OPERATING BUDGET, AND CAPITAL BUDGET, WHICH SHALL BE  
2 CONSISTENT WITH THE FIRST YEAR OF THE FINANCIAL PLAN, AND  
3 WHICH SHALL BE PREPARED IN ACCORDANCE WITH THE ASSISTED  
4 CITY'S HOME RULE CHARTER OR OTHER OPTIONAL PLAN OF  
5 GOVERNMENT; AND

6 (2) A STATEMENT BY THE MAYOR, OR CHIEF EXECUTIVE  
7 OFFICER, THAT SUCH BUDGET:

8 (I) IS CONSISTENT WITH THE FINANCIAL PLAN;

9 (II) CONTAINS FUNDING ADEQUATE FOR DEBT SERVICE  
10 PAYMENTS, LEGALLY MANDATED SERVICES AND LEASE PAYMENTS  
11 SECURING BONDS OF OTHER GOVERNMENT AGENCIES; AND

12 (III) IS BASED UPON REASONABLE AND APPROPRIATE  
13 ASSUMPTIONS AND METHODS OF ESTIMATION.

14 (F) AUTHORITY REVIEW AND APPROVAL OF PLAN.--

15 (1) THE AUTHORITY SHALL PROMPTLY REVIEW EACH FINANCIAL  
16 PLAN, PROPOSED OPERATING BUDGET AND CAPITAL BUDGET SUBMITTED  
17 BY THE ASSISTED CITY. IN CONDUCTING SUCH REVIEW, THE  
18 AUTHORITY SHALL REQUEST FROM THE CITY CONTROLLER OF THE  
19 ASSISTED CITY AN OPINION OR CERTIFICATION PREPARED IN  
20 ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS, WITH  
21 RESPECT TO THE REASONABLENESS OF THE ASSUMPTIONS AND  
22 ESTIMATES IN THE FINANCIAL PLAN. THE CITY CONTROLLER AND  
23 OTHER ELECTED OFFICIALS SHALL COMPLY WITH ANY SUCH REQUEST  
24 FROM THE AUTHORITY. NOT MORE THAN 20 DAYS AFTER SUBMISSION OF  
25 A FINANCIAL PLAN AND PROPOSED OPERATING BUDGET, THE AUTHORITY  
26 SHALL DETERMINE WHETHER:

27 (I) THE FINANCIAL PLAN PROJECTS BALANCED BUDGETS,  
28 BASED UPON REASONABLE ASSUMPTIONS, FOR EACH YEAR OF THE  
29 PLAN; AND

30 (II) THE PROPOSED OPERATING BUDGET AND CAPITAL



1 BUDGET ARE CONSISTENT WITH THE PROPOSED FINANCIAL PLAN.  
2 IF THESE CRITERIA ARE SATISFIED, THE AUTHORITY SHALL APPROVE  
3 SUCH FINANCIAL PLAN BY A QUALIFIED MAJORITY VOTE.

4 (2) THE AUTHORITY SHALL NOT BE BOUND BY ANY OPINIONS OR  
5 CERTIFICATIONS OF THE CITY CONTROLLER OF THE ASSISTED CITY  
6 ISSUED PURSUANT TO THIS SUBSECTION.

7 (3) IF THE AUTHORITY FAILS TO TAKE ANY ACTION WITHIN 20  
8 DAYS ON A FINANCIAL PLAN, THE FINANCIAL PLAN AS SUBMITTED  
9 SHALL BE DEEMED APPROVED. HOWEVER, IF DURING THE 20 DAYS A  
10 WRITTEN REQUEST BY TWO MEMBERS OF THE AUTHORITY BOARD FOR A  
11 MEETING AND VOTE ON THE QUESTION OF APPROVAL OF THE FINANCIAL  
12 PLAN HAS BEEN SUBMITTED TO THE CHAIRPERSON AND A MEETING AND  
13 VOTE DOES NOT TAKE PLACE THE FINANCIAL PLAN SHALL BE DEEMED  
14 DISAPPROVED.

15 (G) AUTHORITY DISAPPROVAL OF PLAN.--

16 (1) IF THE AUTHORITY DISAPPROVES THE PROPOSED FINANCIAL  
17 PLAN, THE AUTHORITY SHALL, WHEN IT NOTIFIES AN ASSISTED CITY  
18 OF ITS DECISION, STATE IN WRITING IN REASONABLE DETAIL THE  
19 REASONS FOR SUCH DISAPPROVAL, INCLUDING THE AMOUNT OF ANY  
20 ESTIMATED BUDGET IMBALANCE.

21 (2) THE ASSISTED CITY SHALL SUBMIT A REVISED FINANCIAL  
22 PLAN TO THE AUTHORITY WITHIN 15 DAYS OF SUCH DISAPPROVAL,  
23 WHICH REVISED PLAN ELIMINATES THE BUDGET IMBALANCE. NOT MORE  
24 THAN 15 DAYS AFTER THE SUBMISSION OF SUCH REVISED FINANCIAL  
25 PLAN, THE AUTHORITY SHALL DETERMINE WHETHER THE REVISED PLAN  
26 SATISFIES THE CRITERIA SET FORTH IN SUBSECTION (F)(1). IF  
27 THESE CRITERIA ARE SATISFIED, THE AUTHORITY SHALL APPROVE  
28 SUCH FINANCIAL PLAN BY A QUALIFIED MAJORITY VOTE. IF THE  
29 AUTHORITY SHALL NOT SO APPROVE THE FINANCIAL PLAN, THEN THE  
30 AUTHORITY SHALL, SUBJECT TO THE OCCURRENCE OF THE EVENTS

1 DESCRIBED IN SECTION 210(E), CERTIFY THE ASSISTED CITY'S  
2 NONCOMPLIANCE WITH THE FINANCIAL PLAN TO THE SECRETARY OF THE  
3 BUDGET.

4 (H) REVISIONS TO PLAN.--

5 (1) WHILE ANY BONDS OF THE AUTHORITY REMAIN OUTSTANDING,  
6 THE PLAN SHALL BE REVISED ON AN ANNUAL BASIS TO INCLUDE THE  
7 OPERATING BUDGET FOR THE NEXT FISCAL YEAR AND TO EXTEND THE  
8 PLAN FOR AN ADDITIONAL FISCAL YEAR. IN ADDITION, THE MAYOR OR  
9 CHIEF EXECUTIVE OFFICER OF AN ASSISTED CITY SHALL, WITHIN 90  
10 DAYS OF ASSUMING OFFICE, PROPOSE REVISIONS TO THE FINANCIAL  
11 PLAN, OR CERTIFY TO THE AUTHORITY THAT HE OR SHE ADOPTS THE  
12 EXISTING PLAN. A CITY MAY, DURING THE COURSE OF A FISCAL  
13 YEAR, SUBMIT PROPOSED REVISIONS TO THE FINANCIAL PLAN, AND  
14 SHALL SUBMIT A PROPOSED REVISION FOR ANY AMENDMENT TO THE  
15 CITY'S OPERATING OR CAPITAL BUDGET.

16 (2) THE AUTHORITY SHALL REVIEW EACH PROPOSED REVISION  
17 WITHIN 20 DAYS OF ITS SUBMISSION. THE AUTHORITY SHALL APPROVE  
18 THE REVISION IF IT WILL NOT, BASED ON REASONABLE ASSUMPTIONS,  
19 CAUSE THE PLAN TO BECOME IMBALANCED. PROPOSED REVISIONS SHALL  
20 BECOME PART OF THE FINANCIAL PLAN UPON THE APPROVAL OF A  
21 QUALIFIED MAJORITY OF THE AUTHORITY BOARD, UNLESS SOME OTHER  
22 METHOD OF APPROVAL IS PERMITTED BY AUTHORITY RULES AND  
23 REGULATIONS, OR PURSUANT TO AN AGREEMENT WITH THE CITY  
24 CONTAINED IN AN INTERGOVERNMENTAL COOPERATION AGREEMENT. IF  
25 THE AUTHORITY FAILS TO TAKE ACTION WITHIN 20 DAYS ON A  
26 PROPOSED REVISION, SUCH SUBMISSION SHALL BE DEEMED APPROVED  
27 UNLESS A WRITTEN REQUEST FOR A MEETING AND VOTE HAS BEEN MADE  
28 IN ACCORDANCE WITH SECTION 209(F)(3) IN WHICH EVENT IF A  
29 MEETING AND VOTE DOES NOT TAKE PLACE, THE PROPOSED REVISION  
30 SHALL BE DEEMED DISAPPROVED.

1           (3) IF THE GOVERNING BODY OF AN ASSISTED CITY ADOPTS A  
2 BUDGET INCONSISTENT WITH AN APPROVED FINANCIAL PLAN, THAT  
3 CITY SHALL SUBMIT THE ENACTED BUDGET TO THE AUTHORITY AS A  
4 PROPOSED REVISION TO THE PLAN. THE AUTHORITY SHALL REVIEW THE  
5 PROPOSED REVISION WITHIN 30 DAYS OF ITS SUBMISSION, IN  
6 ACCORDANCE WITH THE CRITERIA SET FORTH IN SUBSECTION (F) AND  
7 THE APPROVAL PROCESS SET FORTH IN PARAGRAPH (2).

8           (I) SUPPLEMENTAL REPORTS.--WITHIN 45 DAYS OF THE END OF EACH  
9 FISCAL QUARTER, OR MONTHLY IF A VARIATION FROM THE FINANCIAL  
10 PLAN HAS BEEN DETERMINED IN ACCORDANCE WITH SECTION 210(C), THE  
11 MAYOR OR CHIEF EXECUTIVE OFFICER OF AN ASSISTED CITY SHALL  
12 PROVIDE THE AUTHORITY WITH REPORTS DESCRIBING ACTUAL OR CURRENT  
13 ESTIMATES OF REVENUES AND EXPENDITURES COMPARED TO BUDGETED  
14 REVENUES AND EXPENDITURES FOR SUCH PERIOD. EACH REPORT REQUIRED  
15 UNDER THIS SECTION SHALL INDICATE ANY VARIANCE BETWEEN ACTUAL OR  
16 CURRENT ESTIMATES AND BUDGETED REVENUES, EXPENDITURES AND CASH  
17 FOR THE PERIOD COVERED BY SUCH REPORT. AN ASSISTED CITY SHALL  
18 ALSO PROVIDE PERIODIC REPORTS ON DEBT SERVICE REQUIREMENTS IN  
19 CONFORMITY WITH SECTION 210(B).

20           (J) EFFECT OF PLAN UPON CONTRACTS AND COLLECTIVE BARGAINING  
21 AGREEMENTS.--

22           (1) A CONTRACT OR COLLECTIVE BARGAINING AGREEMENT IN  
23 EXISTENCE IN AN ASSISTED CITY PRIOR TO THE APPROVAL BY THE  
24 AUTHORITY OF A FINANCIAL PLAN SUBMITTED PURSUANT TO THIS  
25 SECTION SHALL REMAIN EFFECTIVE AFTER APPROVAL OF SUCH PLAN  
26 UNTIL SUCH CONTACT OR AGREEMENT EXPIRES.

27           (2) AFTER THE APPROVAL BY THE AUTHORITY OF A FINANCIAL  
28 PLAN SUBMITTED PURSUANT TO THIS SECTION, AN ASSISTED CITY  
29 SHALL EXECUTE CONTRACTS AND COLLECTIVE BARGAINING AGREEMENTS  
30 IN COMPLIANCE WITH SUCH PLAN. IF A CITY EXECUTES A CONTRACT

1 OR A COLLECTIVE BARGAINING AGREEMENT WHICH IS NOT IN  
2 COMPLIANCE WITH THE PLAN, THE CONTRACT OR AGREEMENT SHALL NOT  
3 BE VOID OR VOIDABLE SOLELY BY REASON OF SUCH NONCOMPLIANCE,  
4 BUT THE CITY SHALL SUBMIT TO THE AUTHORITY A PROPOSED  
5 REVISION TO THE PLAN WHICH DEMONSTRATES THAT REVENUES  
6 SUFFICIENT TO PAY THE COSTS OF THE CONTRACT OR COLLECTIVE  
7 BARGAINING AGREEMENT WILL BE AVAILABLE IN THE AFFECTED FISCAL  
8 YEARS OF THE PLAN.

9 (K) EFFECT OF PLAN UPON CERTAIN ARBITRATION AWARDS.--

10 (1) AFTER THE APPROVAL BY THE AUTHORITY OF A FINANCIAL  
11 PLAN SUBMITTED PURSUANT TO THIS SECTION, ANY DETERMINATION OF  
12 A BOARD OF ARBITRATION ESTABLISHED PURSUANT TO THE PROVISIONS  
13 OF THE ACT OF JUNE 24, 1968 (P.L.237, NO.111), REFERRED TO AS  
14 THE POLICEMEN AND FIREMEN COLLECTIVE BARGAINING ACT,  
15 PROVIDING FOR AN INCREASE IN WAGES OR FRINGE BENEFITS OF ANY  
16 EMPLOYEE OF AN ASSISTED CITY UNDER THE PLAN, IN ADDITION TO  
17 CONSIDERING ANY STANDARD OR FACTOR REQUIRED TO BE CONSIDERED  
18 BY APPLICABLE LAW, SHALL TAKE INTO CONSIDERATION AND ACCORD  
19 SUBSTANTIAL WEIGHT TO:

20 (I) THE APPROVED FINANCIAL PLAN; AND

21 (II) THE FINANCIAL ABILITY OF THE ASSISTED CITY TO  
22 PAY THE COST OF SUCH INCREASE IN WAGES OR FRINGE BENEFITS  
23 WITHOUT ADVERSELY AFFECTING LEVELS OF SERVICE.

24 (2) SUCH DETERMINATION SHALL BE IN WRITING AND A COPY  
25 THEREOF SHALL BE FORWARDED TO EACH PARTY TO THE DISPUTE AND  
26 THE AUTHORITY. ANY DETERMINATION OF THE BOARD OF ARBITRATION  
27 WHICH PROVIDES FOR AN INCREASE IN WAGES OR FRINGE BENEFITS OF  
28 ANY EMPLOYEE OF AN ASSISTED CITY SHALL STATE WITH SPECIFICITY  
29 IN WRITING ALL FACTORS WHICH THE BOARD OF ARBITRATION TOOK  
30 INTO ACCOUNT IN CONSIDERING AND GIVING SUBSTANTIAL WEIGHT TO:

1 (I) THE APPROVED FINANCIAL PLAN OF THE ASSISTED  
2 CITY; AND

3 (II) THE ASSISTED CITY'S FINANCIAL ABILITY TO PAY  
4 THE COST OF SUCH INCREASE.

5 (3) (I) ANY PARTY TO A PROCEEDING BEFORE A BOARD OF  
6 ARBITRATION MAY APPEAL TO THE COURT OF COMMON PLEAS TO  
7 REVIEW:

8 (A) THE CONSIDERATION OF THE ASSISTED CITY'S  
9 FINANCIAL PLAN;

10 (B) THE DETERMINATION AS TO THE ASSISTED CITY'S  
11 FINANCIAL ABILITY TO PAY; OR

12 (C) THE FAILURE OF THE BOARD OF ARBITRATION TO  
13 ISSUE A DETERMINATION INCLUDING A DETAILED WRITING OF  
14 ALL FACTORS WHICH THE BOARD OF ARBITRATION TOOK INTO  
15 ACCOUNT IN CONSIDERING AND GIVING SUBSTANTIAL WEIGHT  
16 TO THE ASSISTED CITY'S FINANCIAL ABILITY TO PAY AND  
17 THE ASSISTED CITY'S FINANCIAL PLAN.

18 (II) THE DECISION OF THE BOARD OF ARBITRATION SHALL  
19 BE VACATED AND REMANDED TO THE BOARD OF ARBITRATION IF  
20 THE COURT FINDS:

21 (A) THAT THE BOARD OF ARBITRATION FAILED TO TAKE  
22 INTO CONSIDERATION AND ACCORD SUBSTANTIAL WEIGHT TO  
23 THE APPROVED FINANCIAL PLAN;

24 (B) THAT THE BOARD OF ARBITRATION'S  
25 DETERMINATION AS TO THE ASSISTED CITY'S FINANCIAL  
26 ABILITY TO PAY IS NOT SUPPORTED BY SUBSTANTIAL  
27 EVIDENCE AS PRODUCED BY THE PARTIES TO THE  
28 PROCEEDINGS BEFORE THE BOARD OF ARBITRATION; OR

29 (C) THAT THE BOARD OF ARBITRATION HAS FAILED TO  
30 STATE WITH SPECIFICITY IN WRITING THE FACTORS WHICH

1 IT TOOK INTO ACCOUNT IN CONSIDERING AND GIVING  
2 SUBSTANTIAL WEIGHT TO THE ASSISTED CITY'S FINANCIAL  
3 ABILITY TO PAY OR THE ASSISTED CITY'S APPROVED  
4 FINANCIAL PLAN.

5 (III) SUCH APPEAL SHALL BE COMMENCED NOT LATER THAN  
6 30 DAYS AFTER THE ISSUANCE OF A FINAL DETERMINATION BY  
7 THE BOARD OF ARBITRATION.

8 (IV) IF, AFTER THE EXHAUSTION OF ALL APPEALS, THE  
9 FINAL ARBITRATION AWARD IS NOT IN COMPLIANCE WITH THE  
10 APPROVED FINANCIAL PLAN, THE AWARD SHALL NOT BE VOID OR  
11 VOIDABLE SOLELY BY REASON OF SUCH NONCOMPLIANCE BUT THE  
12 ASSISTED CITY SHALL SUBMIT TO THE AUTHORITY A PROPOSED  
13 REVISION TO THE PLAN WHICH DEMONSTRATES THAT REVENUES  
14 SUFFICIENT TO PAY THE COSTS OF THE AWARD WILL BE  
15 AVAILABLE IN THE AFFECTED FISCAL YEARS OF THE PLAN.

16 SECTION 210. POWERS AND DUTIES OF AUTHORITY WITH RESPECT TO  
17 FINANCIAL PLANS.

18 (A) FORMULATION AND APPROVAL OF PLAN.--TO ENHANCE THE  
19 SECURITY OF BONDS ISSUED BY THE AUTHORITY, TO MINIMIZE THE NEED  
20 FOR FUTURE BORROWING BY THE AUTHORITY, AND TO ADVANCE THE  
21 FINANCIAL RECOVERY OF EACH ASSISTED CITY, THE AUTHORITY SHALL  
22 REQUIRE SUCH CITY TO SUBMIT A FIVE-YEAR FINANCIAL PLAN IN  
23 ACCORDANCE WITH SECTION 209. WITH REGARD TO THE FORMULATION OF  
24 SUCH PLAN, THE AUTHORITY SHALL:

25 (1) CONSULT WITH AN ASSISTED CITY AS IT PREPARES THE  
26 FINANCIAL PLAN.

27 (2) PRESCRIBE THE FORM OF THE FINANCIAL PLAN, INSOFAR AS  
28 THAT FORM IS CONSISTENT WITH AN ASSISTED CITY'S HOME RULE  
29 CHARTER OR OTHER OPTIONAL PLAN OF GOVERNMENT AND WITH THIS  
30 ACT.

1           (3) PRESCRIBE THE SUPPORTING INFORMATION REQUIRED IN  
2 CONNECTION WITH SUCH PLAN, SUCH INFORMATION TO INCLUDE AT A  
3 MINIMUM:

4           (I) DEBT SERVICE PAYMENTS DUE OR PROJECTED TO BE DUE  
5 DURING THE RELEVANT FISCAL YEARS;

6           (II) PAYMENTS FOR LEGALLY MANDATED SERVICES INCLUDED  
7 IN THE PLAN AND DUE OR PROJECTED TO BE DUE DURING THE  
8 RELEVANT FISCAL YEARS; AND

9           (III) A STATEMENT IN REASONABLE DETAIL OF THE  
10 SIGNIFICANT ASSUMPTIONS AND METHODS OF ESTIMATION USED IN  
11 ARRIVING AT THE PROJECTIONS IN THE PLAN.

12          (4) EXERCISE ANY RIGHTS OF APPROVAL OR DISAPPROVAL, AND  
13 ISSUE SUCH RECOMMENDATIONS AS ARE AUTHORIZED BY THIS ACT IN  
14 ACCORDANCE WITH THE STANDARDS FOR FORMULATION OF THE PLAN SET  
15 FORTH IN SECTION 209(C).

16          (B) AUTHORITY FUNCTIONS AFTER PLAN IS APPROVED.--AFTER A  
17 FINANCIAL PLAN HAS BEEN APPROVED, THE AUTHORITY SHALL:

18           (1) RECEIVE AND REVIEW:

19           (I) THE FINANCIAL REPORTS SUBMITTED BY THE MAYOR OR  
20 CHIEF EXECUTIVE OFFICER OF AN ASSISTED CITY UNDER SECTION  
21 209(I);

22           (II) REPORTS CONCERNING THE DEBT SERVICE  
23 REQUIREMENTS ON ALL BONDS, NOTES OF SUCH CITY AND LEASE  
24 PAYMENTS OF SUCH CITY SECURING BONDS OR OTHER GOVERNMENT  
25 AGENCIES FOR THE FOLLOWING QUARTER, WHICH REPORTS SHALL  
26 BE IN SUCH FORM AND CONTAIN SUCH INFORMATION AS THE  
27 AUTHORITY SHALL DETERMINE, AND WHICH SHALL BE ISSUED NO  
28 LATER THAN 60 DAYS PRIOR TO THE BEGINNING OF THE QUARTER  
29 TO WHICH THEY PERTAIN, AND SHALL BE UPDATED IMMEDIATELY  
30 UPON EACH ISSUANCE OF BONDS OR NOTES, BY THE ASSISTED

1 CITY OR EXECUTION OF A LEASE SECURING BONDS OF ANOTHER  
2 GOVERNMENT AGENCY, AFTER THE DATE OF SUCH REPORT TO  
3 REFLECT ANY CHANGE IN DEBT SERVICE REQUIREMENTS AS A  
4 RESULT OF SUCH ISSUANCE; AND

5 (III) ANY ADDITIONAL INFORMATION PROVIDED BY THE  
6 ASSISTED CITY CONCERNING CHANGED CONDITIONS OR UNEXPECTED  
7 EVENTS WHICH MAY AFFECT THE CITY'S ADHERENCE TO THE  
8 FINANCIAL PLAN. THE REPORTS DESCRIBED IN SUBPARAGRAPH  
9 (II) SHALL BE CERTIFIED BY THE CITY CONTROLLER.

10 (2) DETERMINE, ON THE BASIS OF INFORMATION AND REPORTS  
11 DESCRIBED IN SUBSECTION (B)(L), WHETHER AN ASSISTED CITY HAS  
12 ADHERED TO THE FINANCIAL PLAN.

13 (C) VARIATION FROM THE PLAN.--IF THE AUTHORITY DETERMINES,  
14 BASED UPON REPORTS SUBMITTED BY AN ASSISTED CITY UNDER  
15 SUBSECTION (B), THAT AN ASSISTED CITY'S ACTUAL REVENUES AND  
16 EXPENDITURES VARY FROM THOSE ESTIMATED IN THE FINANCIAL PLAN,  
17 THE AUTHORITY SHALL REQUIRE THE CITY TO PROVIDE SUCH ADDITIONAL  
18 INFORMATION AS THE AUTHORITY DEEMS NECESSARY TO EXPLAIN THE  
19 VARIATION. THE AUTHORITY SHALL TAKE NO ACTION WITH RESPECT TO AN  
20 ASSISTED CITY FOR DEPARTURES FROM THE FINANCIAL PLAN IN A FISCAL  
21 QUARTER IF:

22 (1) THE CITY PROVIDES A WRITTEN EXPLANATION FOR THE  
23 VARIATION THAT THE AUTHORITY DEEMS REASONABLE;

24 (2) THE CITY PROPOSES REMEDIAL ACTION WHICH THE  
25 AUTHORITY BELIEVES WILL RESTORE THE CITY'S OVERALL COMPLIANCE  
26 WITH THE FINANCIAL PLAN;

27 (3) INFORMATION PROVIDED BY THE CITY IN THE NEXT  
28 QUARTERLY FINANCIAL REPORT DEMONSTRATES THAT THE CITY IS  
29 TAKING SUCH REMEDIAL ACTION AND OTHERWISE COMPLYING WITH THE  
30 PLAN; AND



1           (4) THE CITY SUBMITS MONTHLY SUPPLEMENTAL REPORTS IN  
2       ACCORDANCE WITH SECTION 209(I) UNTIL IT REGAINS COMPLIANCE  
3       WITH THE FINANCIAL PLAN.

4       (D) AUTHORITY MAY MAKE RECOMMENDATIONS.--THE AUTHORITY MAY  
5   AT ANY TIME ISSUE RECOMMENDATIONS AS TO HOW AN ASSISTED CITY MAY  
6   ACHIEVE COMPLIANCE WITH THE FINANCIAL PLAN, AND SHALL PROVIDE  
7   COPIES OF SUCH RECOMMENDATIONS TO THE MAYOR OR CHIEF EXECUTIVE  
8   OFFICER AND THE GOVERNING BODY OF THE CITY AND TO THE OFFICIALS  
9   NAMED IN SECTION 203(B)(5).

10       (E) WHEN COMMONWEALTH SHALL WITHHOLD FUNDS.--

11           (1) THE AUTHORITY SHALL CERTIFY TO THE SECRETARY OF THE  
12       BUDGET AN ASSISTED CITY'S NONCOMPLIANCE WITH THE FINANCIAL  
13       PLAN DURING ANY PERIOD WHEN THE AUTHORITY HAS DETERMINED BY  
14       THE VOTE OF A QUALIFIED MAJORITY THAT THE CITY HAS NOT  
15       ADHERED TO THE PLAN AND HAS TAKEN NO ACCEPTABLE REMEDIAL  
16       ACTION DURING THE NEXT QUARTER FOLLOWING SUCH DEPARTURE FROM  
17       THE PLAN.

18           (2) THE AUTHORITY SHALL CERTIFY TO THE SECRETARY OF THE  
19       BUDGET THAT AN ASSISTED CITY IS NOT IN COMPLIANCE WITH THE  
20       PLAN IF THE CITY:

21               (I) HAS NO FINANCIAL PLAN APPROVED BY THE AUTHORITY,  
22       OR HAS FAILED TO FILE A FINANCIAL PLAN WITH THE  
23       AUTHORITY; OR

24               (II) HAS FAILED TO FILE MANDATORY REVISIONS TO THE  
25       PLAN OR REPORTS AS REQUIRED BY SECTION 209(H), (I), (J)  
26       OR (K); AND

27               (III) HAS NOT BEEN COMPELLED TO FILE A FINANCIAL  
28       PLAN, A MANDATORY REVISION TO THE PLAN, OR A REPORT  
29       THROUGH A MANDAMUS ACTION AUTHORIZED UNDER SUBSECTION  
30       (J).

1           (3) IF THE AUTHORITY CERTIFIES THAT AN ASSISTED CITY IS  
2 NOT IN COMPLIANCE WITH THE FINANCIAL PLAN UNDER PARAGRAPH (1)  
3 OR (2), THE SECRETARY OF THE BUDGET SHALL NOTIFY THE CITY  
4 THAT SUCH CERTIFICATION HAS BEEN MADE AND THAT EACH GRANT,  
5 LOAN, ENTITLEMENT OR PAYMENT TO THE ASSISTED CITY BY THE  
6 COMMONWEALTH, OR ANY OF ITS AGENCIES, INCLUDING PAYMENT FROM  
7 THE CITY ACCOUNT ESTABLISHED PURSUANT TO SECTION 314, SHALL  
8 BE SUSPENDED PENDING COMPLIANCE WITH THE FINANCIAL PLAN.  
9 FUNDS WITHHELD SHALL BE HELD IN ESCROW BY THE COMMONWEALTH OR  
10 IN THE CASE OF THE CITY ACCOUNT, BE RETAINED IN THAT CITY  
11 ACCOUNT, UNTIL COMPLIANCE WITH THE PLAN IS RESTORED AS SET  
12 FORTH IN PARAGRAPH (4).

13           (4) THE AUTHORITY SHALL, BY QUALIFIED MAJORITY VOTE,  
14 DETERMINE WHEN THE CONDITIONS WHICH CAUSED AN ASSISTED CITY  
15 TO BE CERTIFIED AS NOT IN COMPLIANCE WITH THE FINANCIAL PLAN  
16 HAVE CEASED TO EXIST, AND SHALL PROMPTLY NOTIFY THE SECRETARY  
17 OF THE BUDGET OF SUCH VOTE. THE SECRETARY OF THE BUDGET SHALL  
18 THEREUPON RELEASE ALL FUNDS HELD IN ESCROW, TOGETHER WITH ALL  
19 INTEREST AND INCOME EARNED THEREON DURING THE PERIOD HELD IN  
20 ESCROW AND THE DISBURSEMENTS OF AMOUNTS IN THE CITY ACCOUNT  
21 SHALL RESUME AS PROVIDED IN SECTION 314(C).

22           (F) EXEMPTIONS.--NOTWITHSTANDING THE PROVISIONS OF  
23 SUBSECTION (E), THE FOLLOWING SHALL NOT BE WITHHELD FROM AN  
24 ASSISTED CITY:

25           (1) FUNDS FOR CAPITAL PROJECTS UNDER CONTRACT IN  
26 PROGRESS;

27           (2) FUNDS GRANTED OR ALLOCATED TO AN ASSISTED CITY  
28 DIRECTLY FROM AN AGENCY OF THE COMMONWEALTH, OR FROM THE  
29 FEDERAL GOVERNMENT FOR DISTRIBUTION BY THE COMMONWEALTH AFTER  
30 THE DECLARATION OF A DISASTER RESULTING FROM A CATASTROPHE;

1           (3) PENSION FUND PAYMENTS REQUIRED BY LAW;

2           (4) FUNDS ADMINISTERED BY THE ASSISTED CITY'S DEPARTMENT  
3       OF HUMAN SERVICES OR DEPARTMENT OF HEALTH THAT PROVIDE  
4       BENEFITS OR SERVICE TO RECIPIENTS;

5           (5) FUNDS THAT THE ASSISTED CITY HAS PLEDGED TO REPAY  
6       BONDS OR NOTES ISSUED UNDER THE ACT OF OCTOBER 18, 1972  
7       (P.L.955, NO.234), KNOWN AS THE FIRST CLASS CITY REVENUE BOND  
8       ACT; AND

9           (6) FUNDS APPROPRIATED BY THE COMMONWEALTH FOR THE COURT  
10      SYSTEM OR CORRECTIONAL PROGRAMS OF THE ASSISTED CITY.

11      (G) EFFECT OF COMMONWEALTH'S FAILURE TO DISBURSE FUNDS.--THE  
12      PROVISIONS OF SUBSECTION (E) ALSO SHALL NOT APPLY AND AN  
13      ASSISTED CITY SHALL NOT BE FOUND TO HAVE DEPARTED FROM THE  
14      FINANCIAL PLAN DUE TO THE COMMONWEALTH'S FAILURE TO PAY ANY  
15      MONEY, INCLUDING PAYMENT OF FEDERAL FUNDS DISTRIBUTED BY OR  
16      THROUGH THE COMMONWEALTH, DUE TO THE CITY.

17      (H) ASSISTED CITY TO DETERMINE EXPENDITURE OF AVAILABLE  
18      FUNDS.--NOTHING IN THIS ACT SHALL BE CONSTRUED TO LIMIT THE  
19      POWER OF AN ASSISTED CITY TO DETERMINE, FROM TIME TO TIME,  
20      WITHIN AVAILABLE FUNDS OF THE ASSISTED CITY, THE PURPOSES FOR  
21      WHICH EXPENDITURES ARE TO BE MADE BY THE ASSISTED CITY AND THE  
22      AMOUNTS OF SUCH EXPENDITURES THEN PERMITTED UNDER THE FINANCIAL  
23      PLAN OF THE ASSISTED CITY.

24      (I) DOCUMENTS AND EXAMINATIONS TO BE REVIEWED OR UNDERTAKEN  
25      BY THE AUTHORITY.--THE AUTHORITY SHALL:

26           (1) RECEIVE FROM AN ASSISTED CITY AND REVIEW THE  
27       REPORTS, DOCUMENTS, BUDGETARY AND FINANCIAL PLANNING DATA AND  
28       OTHER INFORMATION PREPARED BY OR ON BEHALF OF SUCH ASSISTED  
29       CITY AND TO BE MADE AVAILABLE TO THE AUTHORITY UNDER THIS  
30       ACT;

1           (2)   INSPECT AND COPY SUCH BOOKS, RECORDS AND INFORMATION  
2           OF AN ASSISTED CITY AS THE AUTHORITY DEEMS NECESSARY TO  
3           ACCOMPLISH THE PURPOSES OF THIS ACT; AND

4           (3)   CONDUCT OR CAUSE TO BE CONDUCTED SUCH INDEPENDENT  
5           AUDITS, EXAMINATIONS OR STUDIES OF THE ASSISTED CITY'S  
6           FINANCES AS THE AUTHORITY DEEMS APPROPRIATE.

7           (J)   REMEDIES OF AUTHORITY FOR FAILURE OF AN ASSISTED CITY TO  
8           FILE FINANCIAL PLANS AND REPORTS.--IN THE EVENT THAT AN ASSISTED  
9           CITY SHALL FAIL TO FILE WITH THE AUTHORITY ANY FINANCIAL PLAN,  
10          REVISION TO A FINANCIAL PLAN, REPORT OR OTHER INFORMATION  
11          REQUIRED TO BE FILED WITH THE AUTHORITY PURSUANT TO THIS ACT,  
12          THE AUTHORITY, IN ADDITION TO ALL OTHER RIGHTS WHICH THE  
13          AUTHORITY MAY HAVE AT LAW OR IN EQUITY, SHALL HAVE THE RIGHT BY  
14          MANDAMUS TO COMPEL THE ASSISTED CITY AND THE OFFICERS, EMPLOYEES  
15          AND AGENTS THEREOF TO FILE WITH THE AUTHORITY THE FINANCIAL  
16          PLAN, REVISION TO A FINANCIAL PLAN, REPORT OR OTHER INFORMATION  
17          WHICH THE ASSISTED CITY HAS FAILED TO FILE. THE AUTHORITY SHALL  
18          GIVE THE ASSISTED CITY WRITTEN NOTICE OF THE FAILURE OF THE  
19          ASSISTED CITY TO FILE AND OF THE AUTHORITY'S INTENTION TO  
20          INITIATE AN ACTION UNDER THIS SUBSECTION AND SHALL NOT INITIATE  
21          SUCH AN ACTION EARLIER THAN TEN DAYS AFTER THE GIVING OF SUCH  
22          NOTICE.

23          SECTION 211.   LIMITATION ON AUTHORITY AND ON ASSISTED CITIES TO  
24                          FILE PETITION FOR RELIEF UNDER FEDERAL BANKRUPTCY  
25                          LAW.

26          (A)   LIMITATION ON BANKRUPTCY FILING.--NOTWITHSTANDING ANY  
27          OTHER PROVISION OF LAW, SO LONG AS THE AUTHORITY SHALL HAVE  
28          OUTSTANDING ANY BONDS ISSUED PURSUANT TO THIS ACT, THE AUTHORITY  
29          AND ANY ASSISTED CITY SHALL NOT BE AUTHORIZED TO FILE A PETITION  
30          FOR RELIEF UNDER 11 U.S.C. CH. 9 (RELATING TO BANKRUPTCY), OR

1 ANY SUCCESSOR FEDERAL BANKRUPTCY LAW, AND NO GOVERNMENT AGENCY  
2 SHALL AUTHORIZE THE AUTHORITY OR SUCH CITY TO BECOME A DEBTOR  
3 UNDER 11 U.S.C. CH. 9 OR ANY SUCCESSOR FEDERAL BANKRUPTCY LAW.

4 (B) BANKRUPTCY FILING APPROVAL.--IN ADDITION TO THE  
5 LIMITATION SET FORTH IN SUBSECTION (A), AND NOTWITHSTANDING ANY  
6 OTHER PROVISION OF LAW, NO CITY OF THE FIRST CLASS SHALL BE  
7 AUTHORIZED TO FILE A PETITION FOR RELIEF UNDER 11 U.S.C. CH. 9  
8 OR ANY SUCCESSOR FEDERAL BANKRUPTCY LAW, UNLESS SUCH PETITION  
9 HAS FIRST BEEN SUBMITTED TO, AND THE FILING THEREOF HAS BEEN  
10 FIRST APPROVED IN WRITING BY THE DEPARTMENT OF COMMUNITY  
11 AFFAIRS. THE DEPARTMENT OF COMMUNITY AFFAIRS IS HEREBY  
12 DESIGNATED, IN ACCORDANCE WITH 11 U.S.C. § 109(C)(2) (RELATING  
13 TO THE DEBTOR STATUS OF A MUNICIPALITY), AS THE ORGANIZATION OF  
14 THE COMMONWEALTH WHICH SHALL HAVE POWER TO APPROVE OR DISAPPROVE  
15 THE FILING OF ANY SUCH PETITION OF A POLITICAL SUBDIVISION, AND  
16 TO APPROVE OR DISAPPROVE ANY PLAN OF READJUSTMENT OF THE DEBTS  
17 OF ANY SUCH POLITICAL SUBDIVISION PREPARED, FILED AND SUBMITTED  
18 WITH THE PETITION TO THE COURT, AS PROVIDED UNDER 11 U.S.C. CH.  
19 9.

20 (C) REVIEW OF BANKRUPTCY PETITION.--

21 (1) WHEN ANY SUCH PETITION SHALL BE SUBMITTED TO THE  
22 DEPARTMENT OF COMMUNITY AFFAIRS FOR APPROVAL, ACCOMPANIED  
23 WITH A PROPOSED PLAN OF READJUSTMENT OF THE DEBTS OF A CITY,  
24 THE DEPARTMENT SHALL MAKE A CAREFUL AND THOROUGH  
25 INVESTIGATION OF THE FINANCIAL CONDITION OF SUCH CITY, OF ITS  
26 ASSETS AND LIABILITIES, OF ITS SINKING FUND, AND WHETHER THE  
27 AFFAIRS THEREOF ARE MANAGED IN A CAREFUL, PRUDENT AND  
28 ECONOMIC MANNER IN ORDER TO ASCERTAIN WHETHER THE  
29 PRESENTATION OF SUCH PETITION IS JUSTIFIED, OR REPRESENTS AN  
30 UNJUST ATTEMPT BY SUCH CITY TO EVADE PAYMENT OF SOME OF ITS

1 CONTRACTUAL OBLIGATIONS, AND, IF THE DEPARTMENT BELIEVES THAT  
2 SUCH PETITION SHOULD BE APPROVED, WHETHER THE PLAN OF  
3 READJUSTMENT SUBMITTED WILL BE HELPFUL TO THE FINANCIAL  
4 CONDITION OF THE CITY, AND IS FEASIBLE, AND AT THE SAME TIME  
5 FAIR AND EQUITABLE TO ALL CREDITORS.

6 (2) THE DEPARTMENT OF COMMUNITY AFFAIRS SHALL ALSO,  
7 PRIOR TO GIVING ITS APPROVAL, ASCERTAIN THE AMOUNT, IF ANY,  
8 OF THE OBLIGATIONS OF ANY SUCH PETITIONING CITY WHICH IS HELD  
9 BY ANY AGENCY OR AGENCIES OF THE STATE GOVERNMENT AS TRUST  
10 FUNDS, AND SHALL, BEFORE APPROVING ANY SUCH PETITION AND PLAN  
11 OF READJUSTMENT, CONSULT WITH AND GIVE EVERY SUCH AGENCY AN  
12 OPPORTUNITY TO BE HEARD AND THE PRIVILEGE TO EXAMINE THE  
13 FINDINGS OF THE DEPARTMENT RESULTING FROM THE INVESTIGATION  
14 HEREINBEFORE REQUIRED TO BE MADE, AND SHALL LIKEWISE HEAR ANY  
15 OTHER CREDITOR OF SUCH CITY, WHETHER RESIDENT IN OR OUTSIDE  
16 OF THIS COMMONWEALTH, WHO SHALL APPLY THEREFOR.

17 (3) THE DEPARTMENT OF COMMUNITY AFFAIRS, IF IT APPROVES  
18 A PETITION, SHALL, BEFORE GIVING ITS APPROVAL, REQUIRE SUCH  
19 MODIFICATION IN THE PROPOSED PLAN FOR READJUSTING THE DEBTS  
20 AS TO IT APPEARS PROPER.

21 SECTION 212. SOVEREIGN IMMUNITY.

22 MEMBERS OF THE BOARD SHALL NOT BE LIABLE PERSONALLY ON ANY  
23 OBLIGATIONS OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION BONDS  
24 OF THE AUTHORITY. IT IS HEREBY DECLARED TO BE THE INTENT OF THE  
25 GENERAL ASSEMBLY THAT THE AUTHORITY CREATED BY THIS ACT AND ITS  
26 MEMBERS, OFFICERS, OFFICIALS AND EMPLOYEES SHALL ENJOY SOVEREIGN  
27 AND OFFICIAL IMMUNITY, AS PROVIDED IN 1 PA.C.S. § 2310 (RELATING  
28 TO SOVEREIGN IMMUNITY REAFFIRMED; SPECIFIC WAIVER), AND SHALL  
29 REMAIN IMMUNE FROM SUIT EXCEPT AS PROVIDED BY AND SUBJECT TO THE  
30 PROVISIONS OF 42 PA.C.S. § 8501 (RELATING TO DEFINITIONS)

1 THROUGH § 8528 (RELATING TO LIMITATIONS ON DAMAGES).

2 CHAPTER 3

3 BONDS AND FUNDS OF AUTHORITY

4 SECTION 301. BONDS.

5 (A) AUTHORIZATION.--THE BONDS OF THE AUTHORITY SHALL BE  
6 AUTHORIZED BY RESOLUTION OF THE BOARD BY VOTE OF A QUALIFIED  
7 MAJORITY AND SHALL BE OF SUCH SERIES, BEAR SUCH DATE OR DATES,  
8 BEAR OR ACCRUE INTEREST AT SUCH RATE OR RATES AS SHALL BE  
9 DETERMINED BY THE BOARD AS NECESSARY TO ISSUE AND SELL THE  
10 AUTHORIZED BONDS, BE IN SUCH DENOMINATIONS, BE IN SUCH FORM,  
11 EITHER COUPON OR FULLY REGISTERED WITHOUT COUPONS, OR IN  
12 CERTIFICATED OR BOOK-ENTRY-ONLY FORM, CARRY SUCH REGISTRATION,  
13 EXCHANGEABILITY AND INTERCHANGEABILITY PRIVILEGES, BE PAYABLE IN  
14 SUCH MEDIUM OF PAYMENT AND AT SUCH PLACE OR PLACES, BE SUBJECT  
15 TO SUCH TERMS OF REDEMPTION, AND BE ENTITLED TO SUCH PRIORITIES  
16 OF PAYMENT IN THE REVENUES OR RECEIPTS OF THE AUTHORITY, AS SUCH  
17 RESOLUTION OR RESOLUTIONS OF THE BOARD MAY PROVIDE. THE BONDS  
18 SHALL BE SIGNED BY OR SHALL BEAR THE FACSIMILE SIGNATURES OF  
19 SUCH OFFICERS AS THE BOARD SHALL DETERMINE, AND COUPON BONDS  
20 SHALL HAVE ATTACHED THERETO INTEREST COUPONS BEARING THE  
21 FACSIMILE SIGNATURE OF THE TREASURER OF THE AUTHORITY, AND ALL  
22 BONDS SHALL BE AUTHENTICATED BY AN AUTHENTICATING AGENT, FISCAL  
23 AGENT OR TRUSTEE, ALL AS MAY BE PRESCRIBED IN SUCH RESOLUTION OR  
24 RESOLUTIONS. ANY SUCH BONDS MAY BE ISSUED AND DELIVERED  
25 NOTWITHSTANDING THAT ONE OR MORE OF THE OFFICERS SIGNING SUCH  
26 BONDS OR THE TREASURER WHOSE FACSIMILE SIGNATURE SHALL BE UPON  
27 THE COUPON, OR ANY THEREOF, SHALL HAVE CEASED TO BE SUCH OFFICER  
28 OR OFFICERS AT THE TIME WHEN SUCH BONDS SHALL ACTUALLY BE  
29 DELIVERED.

30 (B) MATURITY DATE.--

1 (1) BONDS ISSUED TO FINANCE A DEFICIT OTHER THAN A CASH  
2 FLOW DEFICIT OR TO PROVIDE OTHER FINANCIAL ASSISTANCE TO AN  
3 ASSISTED CITY SHALL MATURE AT SUCH TIME OR TIMES NOT  
4 EXCEEDING TEN YEARS FROM THEIR RESPECTIVE DATES OF ORIGINAL  
5 ISSUE AS THE AUTHORITY SHALL BY RESOLUTION DETERMINE.

6 (2) BONDS ISSUED TO FINANCE THE COSTS OF CAPITAL  
7 PROJECTS SHALL MATURE AT SUCH TIME OR TIMES NOT EXCEEDING THE  
8 WEIGHTED AVERAGE USEFUL LIFE OF THE PROJECTS BEING FINANCED  
9 AND IN NO EVENT EXCEEDING 30 YEARS FROM THEIR RESPECTIVE  
10 DATES OF ORIGINAL ISSUE AS THE AUTHORITY SHALL BY RESOLUTION  
11 DETERMINE.

12 (3) BONDS ISSUED IN ANTICIPATION OF INCOME OF THE  
13 AUTHORITY OR TO FINANCE A CASH FLOW DEFICIT OF A CITY SHALL  
14 MATURE WITHIN THE FISCAL YEAR OF THE DATE OF ISSUANCE  
15 THEREOF, EXCEPT FOR BONDS ISSUED IN ANTICIPATION OF GRANTS  
16 FROM THE COMMONWEALTH, A GOVERNMENT AGENCY OR FEDERAL AGENCY,  
17 WHICH BONDS SHALL MATURE NO LATER THAN THE TIME OF  
18 ANTICIPATED RECEIPT OF SUCH GRANT.

19 (4) BONDS ISSUED TO PURCHASE OBLIGATIONS OF A CITY SHALL  
20 MATURE NOT MORE THAN 30 DAYS AFTER THE MATURITY OF THE  
21 OBLIGATIONS PURCHASED.

22 (C) SALE.--BONDS MAY BE SOLD AT PUBLIC SALE OR INVITED SALE  
23 FOR SUCH PRICE OR PRICES AND AT SUCH RATE OR RATES OF INTEREST  
24 AS THE AUTHORITY SHALL DETERMINE. BONDS MAY BE SOLD AT PRIVATE  
25 SALE BY NEGOTIATION AT SUCH PRICE OR PRICES AND AT SUCH RATE OR  
26 RATES OF INTEREST AS THE AUTHORITY SHALL DETERMINE, BUT ONLY IF  
27 THE AUTHORITY MAKES A WRITTEN PUBLIC EXPLANATION OF THE  
28 CIRCUMSTANCES AND JUSTIFICATION FOR THE PRIVATE SALE BY  
29 NEGOTIATION. PENDING THE PREPARATION OF THE DEFINITIVE BONDS,  
30 INTERIM RECEIPTS MAY BE ISSUED TO THE PURCHASER OR PURCHASERS OF



1 SUCH BONDS AND MAY CONTAIN SUCH TERMS AND CONDITIONS AS THE  
2 AUTHORITY MAY DETERMINE.

3 (D) NEGOTIABLE INSTRUMENTS.--BONDS OF AN AUTHORITY SHALL  
4 HAVE THE QUALITIES OF NEGOTIABLE INSTRUMENTS UNDER 13 PA.C.S.  
5 (RELATING TO COMMERCIAL CODE).

6 (E) USE OF PROCEEDS.--THE PROCEEDS OF AN ISSUE OF BONDS MAY  
7 BE USED TO PAY THE COSTS OF ISSUANCE OF SUCH BONDS; TO PAY COSTS  
8 OF ADMINISTRATION OF AUTHORITY ASSISTANCE TO A CITY NOT  
9 INCLUDING THE REGULAR OPERATING COSTS OF THE AUTHORITY; TO FUND  
10 RESERVES FOR SUCH BONDS; TO CAPITALIZE INTEREST ON SUCH BONDS  
11 FOR A PERIOD NOT TO EXCEED 12 MONTHS; TO FUND AN EXISTING OR  
12 PROJECTED DEFICIT OF A CITY OR TO PROVIDE FOR OTHER FINANCIAL  
13 ASSISTANCE TO A CITY, NOT INCLUDING THE REGULAR OPERATING COSTS  
14 OF THE AUTHORITY; TO FINANCE ANY CASH FLOW DEFICIT OF A CITY OR  
15 OF THE AUTHORITY; OR TO PURCHASE ANY OBLIGATIONS OF A CITY  
16 ISSUED TO FINANCE CASH FLOW DEFICITS; OR TO PAY THE COSTS OF  
17 CAPITAL PROJECTS; PROVIDED THAT THE AUTHORITY SHALL NOT ISSUE  
18 BONDS TO FINANCE THE COSTS OF CAPITAL PROJECTS IN AND FOR AN  
19 ASSISTED CITY UNLESS IT RECEIVES THE REQUEST DESCRIBED IN  
20 SUBSECTION (G) ACCOMPANIED BY A CERTIFICATION THAT THE ASSISTED  
21 CITY CANNOT OBTAIN FINANCING FOR SUCH CAPITAL PROJECTS AT  
22 REASONABLE RATES EXCEPT THROUGH THE ISSUANCE OF AUTHORITY BONDS  
23 AND THAT THE CONSTRUCTION OR ACQUISITION OF SUCH CAPITAL  
24 PROJECTS IS A MATERIAL ELEMENT OF SUCH CITY'S APPROVED FINANCIAL  
25 PLAN.

26 (F) REFUNDING.--SUBJECT TO THE PROVISIONS OF THE OUTSTANDING  
27 BONDS, NOTES, OR OTHER OBLIGATIONS ISSUED UNDER THIS OR OTHER  
28 ACTS AND SUBJECT TO THE PROVISIONS OF THIS ACT, THE AUTHORITY  
29 SHALL HAVE THE RIGHT AND POWER TO REFUND ANY OUTSTANDING DEBT OF  
30 THE AUTHORITY OR A CITY, WHETHER SUCH DEBT REPRESENTS PRINCIPAL

1 OR INTEREST, IN WHOLE OR IN PART, AT ANY TIME. THE TERM "REFUND"  
2 AND ITS VARIATIONS SHALL MEAN THE ISSUANCE AND SALE OF  
3 OBLIGATIONS THE PROCEEDS OF WHICH ARE USED, OR ARE TO BE USED,  
4 FOR THE PAYMENT OR REDEMPTION OF OUTSTANDING OBLIGATIONS UPON OR  
5 PRIOR TO MATURITY. THE TERM OF ANY BONDS ISSUED FOR REFUNDING  
6 PURPOSES SHALL NOT EXTEND TO A MATURITY DATE WHICH COULD NOT  
7 HAVE BEEN INCLUDED IN THE ORIGINAL ISSUE OF BONDS BEING  
8 REFUNDED.

9 (G) CITY REQUEST PREREQUISITE.--THE AUTHORITY SHALL NOT  
10 ISSUE ANY BONDS EXCEPT BONDS TO REFUND ITS BONDS, UNLESS IT HAS  
11 RECEIVED A REQUEST FROM A CITY FOR SUCH ISSUANCE EXECUTED BY THE  
12 MAYOR OR CHIEF EXECUTIVE OFFICER OF SUCH CITY AND APPROVED BY  
13 THE GOVERNING BODY OF SUCH CITY BY RESOLUTION.

14 SECTION 302. EXEMPTION FROM TAXATION.

15 THE EFFECTUATION OF THE AUTHORIZED PURPOSES OF THE AUTHORITY  
16 SHALL AND WILL BE IN ALL RESPECTS FOR THE BENEFIT OF THE PEOPLE  
17 OF THIS COMMONWEALTH, FOR THE INCREASE OF THEIR COMMERCE AND  
18 PROSPERITY AND FOR THE IMPROVEMENTS OF THEIR HEALTH, SAFETY,  
19 WELFARE AND LIVING CONDITIONS; AND, SINCE THE AUTHORITY WILL, AS  
20 A PUBLIC INSTRUMENTALITY OF THE COMMONWEALTH, BE PERFORMING  
21 ESSENTIAL GOVERNMENTAL FUNCTIONS IN EFFECTUATING SUCH PURPOSES,  
22 THE AUTHORITY SHALL NOT BE REQUIRED TO PAY ANY TAXES OR  
23 ASSESSMENTS UPON ANY PROPERTY ACQUIRED OR USED OR PERMITTED TO  
24 BE USED BY THE AUTHORITY FOR SUCH PURPOSES; AND THE BONDS ISSUED  
25 BY THE AUTHORITY, THEIR TRANSFER AND THE INCOME THEREFROM,  
26 INCLUDING ANY PROFITS MADE ON THE SALE THEREOF, SHALL, AT ALL  
27 TIMES, BE FREE FROM STATE AND LOCAL TAXATION WITHIN THIS  
28 COMMONWEALTH. THIS EXEMPTION SHALL NOT EXTEND TO GIFT, ESTATE,  
29 SUCCESSION OR INHERITANCE TAXES OR ANY OTHER TAXES NOT LEVIED  
30 DIRECTLY ON THE BONDS, THE TRANSFER THEREOF, THE INCOME

1 THEREFROM OR THE REALIZATION OR PROFITS ON THE SALE THEREOF.

2 SECTION 303. VALIDITY OF BONDS; LIMITATION ON ACTIONS.

3 (A) PRESUMPTION.--ANY BOND RECITING IN SUBSTANCE THAT IT HAS  
4 BEEN ISSUED BY THE AUTHORITY TO ACCOMPLISH THE PUBLIC PURPOSES  
5 OF THIS ACT SHALL BE CONCLUSIVELY DEEMED IN ANY SUIT, ACTION OR  
6 PROCEEDING INVOLVING THE VALIDITY OR ENFORCEABILITY OF SUCH  
7 BONDS OR SECURITY THEREFOR TO HAVE BEEN ISSUED FOR SUCH  
8 PURPOSES.

9 (B) FILING.--THE AUTHORITY MAY CAUSE A COPY OF ANY  
10 RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS ADOPTED BY IT TO BE  
11 FILED FOR PUBLIC INSPECTION IN ITS OFFICE AND IN THE OFFICE OF  
12 THE CLERK OF THE GOVERNING BODY OF THE CITY TO BE ASSISTED AND  
13 MAY THEREUPON CAUSE TO BE PUBLISHED IN A NEWSPAPER OF GENERAL  
14 CIRCULATION PUBLISHED OR CIRCULATING IN THE CITY A NOTICE  
15 STATING:

16 (1) THE FACT AND DATE OF SUCH ADOPTION.

17 (2) THE PLACES WHERE SUCH RESOLUTION HAS BEEN SO FILED  
18 FOR PUBLIC INSPECTION.

19 (3) THE DATE OF PUBLICATION OF SUCH NOTICE.

20 (4) THAT ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE  
21 IN ANY COURT QUESTIONING THE VALIDITY OR PROPER AUTHORIZATION  
22 OF BONDS PROVIDED FOR BY THE RESOLUTION, OR THE VALIDITY OF  
23 ANY COVENANTS, AGREEMENTS OR CONTRACT PROVIDED FOR BY SUCH  
24 RESOLUTION SHALL BE COMMENCED WITHIN 10 DAYS AFTER THE  
25 PUBLICATION OF SUCH NOTICE.

26 IF ANY SUCH NOTICE SHALL AT ANY TIME BE PUBLISHED AND IF NO  
27 ACTION OR PROCEEDING QUESTIONING THE VALIDITY OR PROPER  
28 AUTHORIZATION OF BONDS PROVIDED FOR BY THE RESOLUTION REFERRED  
29 TO IN SUCH NOTICE, OR THE VALIDITY OF ANY COVENANTS, AGREEMENTS  
30 OR CONTRACT PROVIDED BY SUCH RESOLUTION, SHALL BE COMMENCED

1 WITHIN 10 DAYS AFTER THE PUBLICATION OF SUCH NOTICE, THEN ALL  
2 RESIDENTS, TAXPAYERS AND OWNERS OF PROPERTY IN THE CITY AND ALL  
3 OTHER PERSONS WHATSOEVER SHALL BE FOREVER BARRED AND FORECLOSED  
4 FROM INSTITUTING OR COMMENCING ANY ACTION OR PROCEEDING IN ANY  
5 COURT, OR PLEADING ANY DEFENSE TO ANY ACTION OR PROCEEDINGS,  
6 QUESTIONING THE VALIDITY OR PROPER AUTHORIZATION OF SUCH BONDS,  
7 OR THE VALIDITY OF ANY SUCH COVENANTS, AGREEMENTS OR CONTRACTS  
8 AND SAID BONDS, COVENANTS, AGREEMENTS AND CONTRACTS SHALL BE  
9 CONCLUSIVELY DEEMED TO BE VALID AND BINDING OBLIGATIONS IN  
10 ACCORDANCE WITH THEIR TERMS AND TENOR.

11 (C) ESTOPPEL.--AFTER ISSUANCE OF BONDS, ALL SUCH BONDS SHALL  
12 BE CONCLUSIVELY PRESUMED TO BE FULLY AUTHORIZED AND ISSUED BY  
13 ALL THE LAWS OF THIS COMMONWEALTH, AND ANY PERSON SHALL BE  
14 ESTOPPED FROM QUESTIONING THEIR SALE, EXECUTION OR DELIVERY BY  
15 THE AUTHORITY.

16 SECTION 304. PROVISIONS OF BONDS; TRUST INDENTURES.

17 IN CONNECTION WITH THE ISSUANCE OF BONDS AND IN ORDER TO  
18 SECURE THE PAYMENT OF SUCH BONDS, THE AUTHORITY, IN ADDITION TO  
19 ITS OTHER POWERS, SHALL HAVE THE POWER TO:

20 (1) PLEDGE OR GRANT A SECURITY INTEREST IN ALL OR ANY  
21 PART OF ITS GROSS OR NET REVENUES, INCLUDING THE PROCEEDS OF  
22 ANY TAX LEVIED FOR THE PURPOSES OF OR MADE AVAILABLE FOR USE  
23 BY THE AUTHORITY, TO WHICH ITS RIGHT THEN EXISTS OR WHICH MAY  
24 THEREAFTER COME INTO EXISTENCE;

25 (2) GRANT A SECURITY INTEREST IN ALL OR ANY PART OF ITS  
26 PERSONAL PROPERTY THEN OWNED OR THEREAFTER ACQUIRED;

27 (3) COVENANT AGAINST PLEDGING OR GRANTING A SECURITY  
28 INTEREST IN ALL OR ANY PART OF ITS REVENUES OR ALL OR ANY  
29 PART OF ITS PERSONAL PROPERTY TO WHICH ITS RIGHT OR TITLE  
30 EXISTS OR MAY THEREAFTER COME INTO EXISTENCE, OR AGAINST

1 PERMITTING OR SUFFERING ANY LIEN ON SUCH REVENUES OR  
2 PROPERTY; COVENANT WITH RESPECT TO LIMITATIONS ON ITS RIGHT  
3 TO SELL, LEASE OR OTHERWISE DISPOSE OF ANY OF ITS REAL  
4 PROPERTY; AND COVENANT AS TO WHICH OTHER OR ADDITIONAL DEBTS  
5 OR OBLIGATIONS MAY BE INCURRED BY IT;

6 (4) COVENANT AS TO THE BONDS TO BE ISSUED AND AS TO THE  
7 ISSUANCE OF SUCH BONDS, IN ESCROW OR OTHERWISE, AND AS TO THE  
8 USE AND DISPOSITION OF THE PROCEEDS THEREOF; PROVIDE FOR THE  
9 REPLACEMENT OF LOST, DESTROYED OR MUTILATED BONDS; COVENANT  
10 AGAINST EXTENDING THE TIME FOR THE PAYMENT OF BONDS OR  
11 INTEREST THEREON; REDEEM THE BONDS, AND COVENANT FOR THEIR  
12 REDEMPTION AND PROVIDE THE TERMS AND CONDITIONS THEREOF;

13 (5) COVENANT AS TO THE AMOUNT OF REVENUES TO BE RECEIVED  
14 IN EACH FISCAL YEAR OR OTHER PERIOD OF TIME BY THE AUTHORITY,  
15 AS WELL AS TO THE USE AND DISPOSITION TO BE MADE THEREOF,  
16 CREATE OR AUTHORIZE THE CREATION OF SPECIAL FUNDS OR RESERVES  
17 FOR DEBT SERVICE OR OTHER PURPOSES, AND COVENANT AS TO THE  
18 USE AND DISPOSITION OF THE MONEYS HELD IN SUCH FUNDS;

19 (6) PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS  
20 OF ANY CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED,  
21 AND THE AMOUNT OF BONDS THE HOLDERS OF WHICH MUST CONSENT  
22 THERETO, AND THE MANNER IN WHICH SUCH CONSENT MAY BE GIVEN;

23 (7) COVENANT AS TO THE USE OF ANY OR ALL OF ITS REAL OR  
24 PERSONAL PROPERTY, TO WARRANT ITS TITLE, AND COVENANT AS TO  
25 THE MAINTENANCE OF ITS REAL AND PERSONAL PROPERTY, THE  
26 REPLACEMENT THEREOF, THE INSURANCE TO BE CARRIED THEREON AND  
27 THE USE AND DISPOSITION OF INSURANCE PROCEEDS;

28 (8) COVENANT AS TO THE RIGHTS, LIABILITIES, POWERS AND  
29 DUTIES ARISING UPON THE BREACH BY IT OF ANY COVENANT,  
30 CONDITION OR OBLIGATION, PROVIDED THAT THE AUTHORITY SHALL

1 NOT BE PERMITTED TO COVENANT THAT UPON SUCH BREACH ANY OR ALL  
2 OF ITS BONDS SHALL BECOME OR MAY BE DECLARED DUE BEFORE  
3 STATED MATURITY;

4 (9) VEST IN A TRUSTEE OR THE HOLDERS OF BONDS, OR ANY  
5 PROPORTION OF THEM, THE RIGHT TO ENFORCE THE PAYMENT OF THE  
6 BONDS OR ANY COVENANTS SECURING OR RELATING TO THE BONDS;  
7 VEST IN A TRUSTEE THE RIGHT, IN THE EVENT OF DEFAULT IN  
8 PAYMENTS OF INTEREST OR ON PRINCIPAL OF BONDS BY THE  
9 AUTHORITY, TO TAKE POSSESSION AND USE, OPERATE AND MANAGE ANY  
10 REAL OR PERSONAL PROPERTY AND TO COLLECT THE REVENUES AND  
11 RECEIPTS OF AN AUTHORITY AND TO DISPOSE OF SUCH MONEYS IN  
12 ACCORDANCE WITH THE AGREEMENT OF THE AUTHORITY WITH THE  
13 TRUSTEE; PROVIDE FOR THE POWERS AND DUTIES OF A TRUSTEE AND  
14 TO LIMIT LIABILITIES THEREOF; AND PROVIDE THE TERMS AND  
15 CONDITIONS UPON WHICH A TRUSTEE OR THE HOLDERS OF BONDS, OR  
16 ANY PROPORTION OF THEM, MAY ENFORCE ANY COVENANT OR RIGHTS  
17 SECURING OR RELATING TO THE BONDS;

18 (10) ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS,  
19 INTEREST RATE CAP AND FLOOR AGREEMENTS AND OTHER SIMILAR  
20 AGREEMENTS WHICH IN THE JUDGMENT OF THE AUTHORITY WILL ASSIST  
21 THE AUTHORITY IN MANAGING THE INTEREST COSTS OF THE  
22 AUTHORITY;

23 (11) OBTAIN LETTERS OF CREDIT, BONDS INSURANCE AND OTHER  
24 FACILITIES FOR CREDIT ENHANCEMENT AND LIQUIDITY; AND

25 (12) EXERCISE ALL OR ANY PART OR COMBINATION OF THE  
26 POWERS GRANTED IN THIS ACT, MAKE COVENANTS OTHER THAN AND IN  
27 ADDITION TO THE COVENANTS EXPRESSLY AUTHORIZED BY THIS ACT,  
28 MAKE SUCH COVENANTS AND DO ANY AND ALL SUCH ACTS AND THINGS  
29 AS MAY BE NECESSARY OR CONVENIENT OR DESIRABLE IN ORDER TO  
30 SECURE ITS BONDS, OR, IN THE ABSOLUTE DISCRETION OF THE

1 AUTHORITY, AS WILL TEND TO ACCOMPLISH THE PURPOSES OF THIS  
2 ACT, BY MAKING THE BONDS MORE MARKETABLE NOTWITHSTANDING THAT  
3 SUCH COVENANTS, ACTS OR THINGS MAY NOT BE SPECIFICALLY  
4 ENUMERATED BY THIS ACT.

5 NOTWITHSTANDING ANY PROVISION OF THIS ACT TO THE CONTRARY, THE  
6 REAL PROPERTY OF THE AUTHORITY SHALL NOT BE MORTGAGED AND SHALL  
7 NOT BE SUBJECT TO ATTACHMENT NOR LEVIED UPON BY EXECUTION OR  
8 OTHERWISE. THE REVENUES OF THE AUTHORITY AND THE PERSONAL  
9 PROPERTY OF THE AUTHORITY SHALL BE PLEDGED OR OTHERWISE  
10 ENCUMBERED ONLY AS EXPRESSLY PROVIDED IN THIS SECTION, AND,  
11 EXCEPT TO THE EXTENT NECESSARY TO EFFECTUATE SUCH PLEDGE OR  
12 ENCUMBRANCE, SHALL NOT BE SUBJECT TO ATTACHMENT NOR LEVIED UPON  
13 BY EXECUTION OR OTHERWISE.

14 SECTION 305. REMEDIES OF OBLIGEE OF AUTHORITY.

15 AN OBLIGEE OF THE AUTHORITY SHALL HAVE THE RIGHT, IN ADDITION  
16 TO ALL OTHER RIGHTS WHICH MAY BE CONFERRED ON SUCH OBLIGEEES  
17 SUBJECT ONLY TO ANY CONTRACTUAL RESTRICTIONS BINDING UPON SUCH  
18 OBLIGEE:

19 (1) BY MANDAMUS, SUIT, ACTION OR PROCEEDING AT LAW OR IN  
20 EQUITY, TO COMPEL THE AUTHORITY AND THE MEMBERS OF ITS  
21 GOVERNING BOARD, OFFICERS, AGENTS OR EMPLOYEES THEREOF TO  
22 PERFORM EACH AND EVERY TERM, PROVISION AND COVENANT CONTAINED  
23 IN ANY BOND OR CONTRACT OF THE AUTHORITY WITH OR FOR THE  
24 BENEFIT OF SUCH OBLIGEE, AND TO REQUIRE THE CARRYING OUT OF  
25 ANY OR ALL SUCH COVENANTS AND AGREEMENTS OF THE AUTHORITY AND  
26 THE FULFILLMENT OF ALL DUTIES IMPOSED UPON THE AUTHORITY BY  
27 THIS ACT.

28 (2) BY PROCEEDING IN EQUITY, TO OBTAIN AN INJUNCTION  
29 AGAINST ANY ACTS OR THINGS WHICH MAY BE UNLAWFUL OR THE  
30 VIOLATION OF ANY OF THE RIGHTS OF SUCH OBLIGEE OF THE

1 AUTHORITY.

2 (3) TO REQUIRE THE AUTHORITY TO ACCOUNT AS IF IT WERE  
3 THE TRUSTEE OF AN EXPRESS TRUST FOR THE OBLIGEEES OF THE  
4 AUTHORITY FOR ANY PLEDGED REVENUES RECEIVED.

5 SECTION 306. VALIDITY OF PLEDGE.

6 ANY PLEDGE OF OR GRANT OF A SECURITY INTEREST IN REVENUES OF  
7 THE AUTHORITY OR PERSONAL PROPERTY OF AN AUTHORITY MADE BY THE  
8 AUTHORITY SHALL BE VALID AND BINDING FROM THE TIME WHEN THE  
9 PLEDGE IS MADE; THE REVENUES OR OTHER PROPERTY SO PLEDGED AND  
10 THEREAFTER RECEIVED BY THE AUTHORITY SHALL IMMEDIATELY BE  
11 SUBJECT TO THE LIEN OF ANY SUCH PLEDGE OR SECURITY INTEREST  
12 WITHOUT ANY PHYSICAL DELIVERY THEREOF OR FURTHER ACT, AND THE  
13 LIEN OF ANY SUCH PLEDGE OR SECURITY INTEREST SHALL BE VALID AND  
14 BINDING AS AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN  
15 TORT, CONTRACT OR OTHERWISE AGAINST THE AUTHORITY IRRESPECTIVE  
16 OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF. NEITHER THE  
17 RESOLUTION NOR ANY OTHER INSTRUMENT OF THE AUTHORITY BY WHICH A  
18 PLEDGE OR SECURITY INTEREST IS CREATED NEED BE RECORDED OR FILED  
19 TO PERFECT SUCH PLEDGE OR SECURITY INTEREST.

20 SECTION 307. COMMONWEALTH PLEDGES.

21 (A) BONDHOLDERS.--THE COMMONWEALTH DOES HEREBY PLEDGE TO AND  
22 AGREE WITH EACH AND EVERY OBLIGEE OF THE AUTHORITY THAT THE  
23 COMMONWEALTH WILL NOT LIMIT OR ALTER THE RIGHTS HEREBY VESTED IN  
24 THE AUTHORITY IN ANY MANNER INCONSISTENT WITH THE OBLIGATIONS OF  
25 THE AUTHORITY TO SUCH OBLIGEEES UNTIL ALL BONDS AT ANY TIME  
26 ISSUED, TOGETHER WITH THE INTEREST THEREON, ARE FULLY PAID AND  
27 DISCHARGED. THE COMMONWEALTH DOES FURTHER PLEDGE TO AND AGREE  
28 WITH ANY FEDERAL AGENCY THAT, IN THE EVENT THAT ANY FEDERAL  
29 AGENCY SHALL CONTRIBUTE ANY FUNDS TO THE AUTHORITY FOR  
30 ASSISTANCE TO A CITY PURSUANT TO THIS ACT, THAT THE COMMONWEALTH



1 WILL NOT ALTER OR LIMIT THE RIGHTS AND POWERS OF THE AUTHORITY  
2 IN ANY MANNER WHICH WOULD BE INCONSISTENT WITH THE DUE  
3 PERFORMANCE OF ANY AGREEMENTS BETWEEN THE AUTHORITY, THE CITY  
4 AND ANY SUCH FEDERAL AGENCY.

5 (B) LESSEES.--THE COMMONWEALTH DOES HEREBY PLEDGE TO AND  
6 AGREE WITH ANY PERSON WHO, AS OWNER THEREOF, LEASES OR SUBLEASES  
7 PROPERTY TO OR FROM THE AUTHORITY, THAT THE COMMONWEALTH WILL  
8 NOT LIMIT OR ALTER THE RIGHTS AND POWERS HEREBY VESTED IN THE  
9 AUTHORITY OR OTHERWISE CREATED BY THIS ACT IN ANY MANNER WHICH  
10 IMPAIRS THE OBLIGATIONS OF THE AUTHORITY UNTIL ALL SUCH  
11 OBLIGATIONS OF THE AUTHORITY UNDER SUCH LEASE OR SUBLEASE ARE  
12 FULLY MET AND DISCHARGED.

13 (C) REDUCTION OF PLEDGED TAX REVENUES.--IF AND TO THE EXTENT  
14 THAT THE AUTHORITY PLEDGES ANY PROCEEDS OF A TAX AUTHORIZED BY  
15 LAW TO BE LEVIED FOR THE AUTHORITY PURPOSES OR MADE AVAILABLE  
16 FOR USE BY THE AUTHORITY AS SECURITY FOR BONDS OF THE AUTHORITY,  
17 OR THE CITY PLEDGES ANY PROCEEDS OF A TAX AS SECURITY FOR  
18 PAYMENT BY SUCH CITY TO THE AUTHORITY, THE COMMONWEALTH DOES  
19 HEREBY PLEDGE TO AND AGREE WITH EACH AND EVERY OBLIGEE OF THE  
20 AUTHORITY ACQUIRING BONDS SO SECURED TO BE ISSUED BY THE  
21 AUTHORITY THAT THE COMMONWEALTH ITSELF WILL NOT, NOR WILL IT  
22 AUTHORIZE ANY GOVERNMENT AGENCY LEVYING SUCH TAX TO, REDUCE THE  
23 RATE OF TAX IMPOSED FOR SUCH AUTHORITY OR CITY PURPOSES, OR MADE  
24 AVAILABLE FOR USE BY THE AUTHORITY, UNTIL ALL BONDS SO SECURED  
25 BY THE PLEDGE OF THE AUTHORITY, TOGETHER WITH THE INTEREST  
26 THEREON, ARE FULLY PAID OR PROVIDED FOR UNTIL ALL PAYMENTS TO  
27 THE AUTHORITY SO SECURED BY THE PLEDGE OF THE CITY HAVE BEEN  
28 MADE OR PROVIDED FOR.

29 SECTION 308. RESOLUTION AND LAW ARE CONTRACTS WITH HOLDERS OF  
30 BONDS.

1       EXCEPT AS OTHERWISE PROVIDED IN ANY RESOLUTION OF THE  
2   AUTHORITY AUTHORIZING OR AWARDING BONDS, THE TERMS OF SUCH  
3   RESOLUTION AND ANY AGREEMENT AUTHORIZED BY SUCH RESOLUTION AND  
4   THE TERMS OF THIS ACT AS IN EFFECT WHEN SUCH BONDS WERE  
5   AUTHORIZED SHALL CONSTITUTE A CONTRACT BETWEEN THE AUTHORITY AND  
6   THE OBLIGEEES FROM TIME TO TIME OF THE AUTHORITY, SUBJECT TO  
7   MODIFICATION BY THE VOTE BY HOLDERS OF SUCH PERCENTAGE OF BONDS  
8   AS THE RESOLUTION AUTHORIZING OR AWARDING SUCH BONDS SHALL  
9   PROVIDE.

10   SECTION 309.   BONDS TO BE LEGAL INVESTMENTS.

11       BONDS ISSUED PURSUANT TO THIS ACT ARE HEREBY MADE SECURITIES  
12   IN WHICH ALL GOVERNMENT AGENCIES, ALL INSURANCE COMPANIES, TRUST  
13   COMPANIES, BANKING ASSOCIATIONS, BANKING CORPORATIONS, SAVINGS  
14   BANKS, INVESTMENT COMPANIES, EXECUTORS, THE TRUSTEES OF ANY  
15   RETIREMENT, PENSION OR ANNUITY FUND OR SYSTEM OF THE  
16   COMMONWEALTH OR OF A CITY, TRUSTEES AND OTHER FIDUCIARIES MAY  
17   PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING CAPITAL, DEPOSITS  
18   OR OTHER FUNDS IN THEIR CONTROL OR BELONGING TO THEM. SUCH BONDS  
19   ARE HEREBY MADE SECURITIES WHICH MAY PROPERLY AND LEGALLY BE  
20   DEPOSITED WITH AND RECEIVED BY ANY GOVERNMENT AGENCY FOR ANY  
21   PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF  
22   THE COMMONWEALTH NOW OR MAY HEREAFTER BE AUTHORIZED BY LAW.

23   SECTION 310.   RIGHT TO ENFORCEMENT OF PLEDGE OF REVENUES.

24       THE OBLIGEEES OF THE AUTHORITY SHALL HAVE THE RIGHT TO ENFORCE  
25   A PLEDGE OF OR SECURITY INTEREST IN REVENUES OF THE AUTHORITY  
26   SECURING PAYMENT OF BONDS OF THE AUTHORITY AGAINST ALL  
27   GOVERNMENT AGENCIES IN POSSESSION OF ANY SUCH REVENUES AT ANY  
28   TIME, WHICH REVENUES MAY BE COLLECTED DIRECTLY FROM SUCH  
29   OFFICIALS UPON NOTICE BY SUCH OBLIGEEES OR A TRUSTEE FOR SUCH  
30   OBLIGEEES FOR APPLICATION TO THE PAYMENT OF SUCH BONDS AS AND

1 WHEN DUE OR FOR DEPOSITS IN ANY SINKING, BOND OR DEBT SERVICE  
2 FUND ESTABLISHED BY THIS ACT OR ESTABLISHED BY RESOLUTION OF THE  
3 AUTHORITY WITH SUCH TRUSTEE AT THE TIMES AND IN THE AMOUNTS  
4 SPECIFIED IN SUCH BONDS OR THE RESOLUTION OR INDENTURE OR TRUST  
5 AGREEMENT SECURING SUCH BONDS. ANY GOVERNMENT AGENCY IN  
6 POSSESSION OF ANY SUCH REVENUES SHALL MAKE PAYMENT AGAINST  
7 RECEIPT AND SHALL THEREBY BE DISCHARGED FROM ANY FURTHER  
8 LIABILITY OR RESPONSIBILITY FOR SUCH REVENUES. IF SUCH PAYMENT  
9 SHALL BE TO A HOLDER OF BONDS, IT SHALL BE MADE AGAINST  
10 SURRENDER OF SUCH BONDS TO THE PAYOR FOR DELIVERY TO THE  
11 AUTHORITY IN THE CASE OF PAYMENT IN FULL, OTHERWISE IT SHALL BE  
12 MADE AGAINST PRODUCTION OF SUCH BONDS FOR NOTATION THEREON OF  
13 THE AMOUNT OF THE PAYMENT. THE PROVISIONS OF THIS SECTION WITH  
14 RESPECT TO THE ENFORCEABILITY AND COLLECTION OF REVENUES WHICH  
15 SECURE BONDS SHALL SUPERSEDE ANY CONTRARY OR INCONSISTENT  
16 STATUTORY PROVISION OR RULE OF LAW. THIS SECTION SHALL BE  
17 CONSTRUED AND APPLIED TO FULFILL THE LEGISLATIVE PURPOSE OF  
18 CLARIFYING AND FACILITATING THE FINANCING OF THE AUTHORITY OF  
19 THE COSTS OF ASSISTING A CITY BY ASSURING TO THE OBLIGEEES OF THE  
20 AUTHORITY THE FULL AND IMMEDIATE BENEFIT OF THE SECURITY FOR THE  
21 BONDS WITHOUT DELAY, DIMINUTION OR INTERFERENCE BASED ON ANY  
22 STATUTE, DECISION, ORDINANCE, OR ADMINISTRATIVE RULE OR  
23 PRACTICE.

24 SECTION 311. FUNDS OF AUTHORITY; SOURCES OF REVENUE.

25 (A) RECEIPT BY TREASURER.--ALL FUNDS OF THE AUTHORITY  
26 RECEIVED FROM ANY SOURCE SHALL BE DELIVERED TO OR UPON THE ORDER  
27 OF THE TREASURER OF THE AUTHORITY, OR TO SUCH OTHER AGENT OF THE  
28 AUTHORITY AS THE BOARD MAY DESIGNATE. SUCH FUNDS RECEIVED BY THE  
29 AUTHORITY SHALL BE PROMPTLY DEPOSITED IN A BANK OR BANKS IN THIS  
30 COMMONWEALTH CHOSEN BY THE AUTHORITY. THE MONEYS IN SUCH ACCOUNT

1 OR ACCOUNTS MAY BE PAID BY THE TREASURER OF THE AUTHORITY OR  
2 OTHER DESIGNATED AGENT OF THE AUTHORITY ON WARRANT OF THE  
3 TREASURER OF THE AUTHORITY, OR BY SUCH PERSONS AS THE BOARD MAY  
4 AUTHORIZE TO MAKE SUCH WARRANTS. ALL SUCH DEPOSITS OF MONEYS  
5 MAY, IF REQUIRED BY THE AUTHORITY, BE SECURED BY OBLIGATIONS OF  
6 THE UNITED STATES OR OF THE COMMONWEALTH OF A MARKET VALUE EQUAL  
7 AT ALL TIMES TO THE AMOUNT OF THE DEPOSIT AND ALL BANKS AND  
8 TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH  
9 DEPOSITS, PROVIDED, THAT NO MONEYS DEPOSITED IN A DEBT SERVICE  
10 RESERVE FUND MAY BE SECURED BY A DEPOSIT OF OBLIGATIONS ISSUED  
11 BY OR OBLIGATIONS GUARANTEED BY AN ASSISTED CITY.

12 (B) INVESTMENT OF FUNDS.--SUBJECT TO THE PROVISIONS OF ANY  
13 AGREEMENTS WITH OBLIGEEES OF THE AUTHORITY, ALL FUNDS OF THE  
14 AUTHORITY, INCLUDING THE PROCEEDS OF BONDS, WHICH ARE NOT  
15 REQUIRED FOR IMMEDIATE USE MAY BE INVESTED IN OBLIGATIONS OF AN  
16 ASSISTED CITY, OR IN OBLIGATIONS OF THE FEDERAL GOVERNMENT OR OF  
17 THE COMMONWEALTH, OR OBLIGATIONS WHICH ARE LEGAL INVESTMENTS FOR  
18 COMMONWEALTH FUNDS; PROVIDED, HOWEVER, THAT NO MONEYS HELD IN A  
19 DEBT SERVICE RESERVE FUND MAY BE INVESTED IN OBLIGATIONS ISSUED  
20 BY OR OBLIGATIONS GUARANTEED BY AN ASSISTED CITY.

21 (C) RECEIPT OF APPROPRIATIONS.--PURSUANT TO THIS ACT, THE  
22 AUTHORITY SHALL BE AUTHORIZED TO RECEIVE, SUCH APPROPRIATIONS  
23 FROM THE GENERAL ASSEMBLY AS ARE NECESSARY TO MEET AUTHORITY  
24 OPERATING EXPENSES.

25 (D) PLEDGES FROM CITY.--TO FURTHER SECURE REPAYMENT OF  
26 OBLIGATIONS OF AN ASSISTED CITY TO THE AUTHORITY, SUCH CITY IS  
27 AUTHORIZED TO PLEDGE OR DIRECT, AND THE AUTHORITY IS AUTHORIZED  
28 TO RECEIVE DIRECTLY FROM THE COLLECTOR OF SUCH TAXES OR  
29 REVENUES, CITY TAXES AND OTHER REVENUES OTHERWISE PAYABLE TO THE  
30 CITY AND SO DIRECTED OR PLEDGED.

1 SECTION 312. PAYMENT OF PROCEEDS OF TAX LEVIED FOR AUTHORITY  
2 PURPOSES.

3 THE PROCEEDS OF ANY TAX LEVIED FOR AUTHORITY PURPOSES OR MADE  
4 AVAILABLE FOR USE BY THE AUTHORITY WHICH TAX PROCEEDS SHALL HAVE  
5 BEEN PLEDGED BY THE AUTHORITY TO SECURE ITS BONDS, AND COLLECTED  
6 BY THE DEPARTMENT OF REVENUE SHALL BE TRANSFERRED BY THE STATE  
7 TREASURER AT THE TIMES PROVIDED BY LAW TO THE BOND PAYMENT  
8 ACCOUNT ESTABLISHED PURSUANT TO SECTION 314, A DEBT SERVICE  
9 RESERVE FUND ESTABLISHED UNDER THE AUTHORITY OF SECTION 313 AND  
10 TO THE CITY ACCOUNT ESTABLISHED PURSUANT TO SECTION 314, ALL IN  
11 THE MANNER PROVIDED IN THIS ACT, SUBJECT TO ANY LIMITATIONS SET  
12 FORTH IN THE RESOLUTION OF THE AUTHORITY AUTHORIZING SUCH BONDS.

13 SECTION 313. DEBT SERVICE RESERVE FUND.

14 (A) AUTHORIZATION.--THE AUTHORITY MAY ESTABLISH ONE OR MORE  
15 DEBT SERVICE RESERVE FUNDS INTO WHICH IT SHALL DEPOSIT:

16 (1) THE PROCEEDS OF ANY TAX LEVIED FOR AUTHORITY  
17 PURPOSES OR MADE AVAILABLE FOR USE BY THE AUTHORITY IN EXCESS  
18 OF AMOUNTS REQUIRED TO BE DEPOSITED IN THE BOND PAYMENT  
19 ACCOUNT PURSUANT TO SECTION 314.

20 (2) ANY MONEYS APPROPRIATED OR MADE AVAILABLE BY THE  
21 COMMONWEALTH FOR DEPOSIT IN SUCH FUND OR FUNDS.

22 (3) PROCEEDS FROM THE SALE OF BONDS, TO THE EXTENT  
23 PROVIDED IN THE RESOLUTION OR RESOLUTIONS AUTHORIZING SUCH  
24 BONDS.

25 (4) ANY OTHER MONEYS MADE AVAILABLE TO THE AUTHORITY  
26 FROM ANY SOURCE FOR SUCH PURPOSE.

27 ALL MONEYS HELD IN ANY DEBT SERVICE RESERVE FUND, EXCEPT AS  
28 PROVIDED HEREAFTER, SHALL BE USED WHEN REQUIRED, SOLELY FOR THE  
29 PAYMENT OF THE PRINCIPAL OF BONDS SECURED IN WHOLE OR IN PART BY  
30 SUCH FUND OR OF THE SINKING FUND PAYMENTS, IF ANY, WITH RESPECT

1 TO SUCH BONDS, THE PURCHASE OR REDEMPTION OF SUCH BONDS, THE  
2 PAYMENT OF INTEREST ON SUCH BONDS OR THE PAYMENT OF ANY  
3 REDEMPTION PREMIUM REQUIRED TO BE PAID WHEN SUCH BONDS AND NOTES  
4 ARE REDEEMED PRIOR TO MATURITY. ANY DEBT SERVICE RESERVE FUND  
5 ESTABLISHED PURSUANT TO THIS SECTION SHALL BE A TRUST FUND HELD  
6 FOR THE BENEFIT AND SECURITY OF THE OBLIGEEES OF THE AUTHORITY  
7 WHOSE BONDS ARE SECURED BY SUCH FUND. MONEYS IN A DEBT SERVICE  
8 RESERVE FUND SHALL NOT BE WITHDRAWN FROM THE FUND AT ANY TIME IN  
9 AN AMOUNT THAT WOULD REDUCE THE AMOUNT OF THE FUND TO LESS THAN  
10 THE MINIMUM RESERVE FUND REQUIREMENT ESTABLISHED FOR SUCH FUND  
11 IN THE RESOLUTION OF THE AUTHORITY CREATING SUCH FUND, EXCEPT  
12 FOR WITHDRAWALS FOR THE PURPOSE OF MAKING PAYMENTS WHEN DUE OF  
13 PRINCIPAL, INTEREST, REDEMPTION PREMIUMS AND SINKING FUND  
14 PAYMENTS, IF ANY, WITH RESPECT TO SUCH BONDS FOR THE PAYMENT OF  
15 WHICH OTHER MONEYS OF THE AUTHORITY ARE NOT AVAILABLE. ANY  
16 INCOME OR INTEREST EARNED BY, OR INCREMENTS TO, ANY DEBT SERVICE  
17 RESERVE FUND DUE TO THE INVESTMENT THEREOF MAY BE TRANSFERRED BY  
18 THE AUTHORITY TO OTHER FUNDS OR ACCOUNTS OF THE AUTHORITY TO THE  
19 EXTENT SUCH TRANSFER DOES NOT REDUCE THE AMOUNT OF THE DEBT  
20 SERVICE RESERVE FUND BELOW THE MINIMUM RESERVE FUND REQUIREMENT  
21 ESTABLISHED FOR SUCH FUND. FUNDS TRANSFERRED TO OTHER ACCOUNTS  
22 IN ACCORDANCE WITH THE PRECEDING REQUIREMENTS MAY BE USED FOR  
23 WHATEVER PURPOSES THE AUTHORITY DEEMS APPROPRIATE SO LONG AS  
24 SUCH PURPOSES ARE CONSISTENT WITH THIS ACT AND THE CONTRACTS OF  
25 THE AUTHORITY WITH OBLIGEEES OF THE AUTHORITY AND WITH ASSISTED  
26 CITIES.

27 (B) BOND LIMITATION.--THE AUTHORITY SHALL NOT AT ANY TIME  
28 ISSUE BONDS SECURED IN WHOLE OR IN PART BY A DEBT SERVICE  
29 RESERVE FUND IF ISSUANCE OF SUCH BONDS WOULD CAUSE THE AMOUNT IN  
30 THE DEBT RESERVE FUND TO FALL BELOW THE MINIMUM RESERVE

1 REQUIREMENT FOR SUCH FUND, UNLESS THE AUTHORITY AT THE TIME OF  
2 ISSUANCE OF SUCH BONDS SHALL DEPOSIT IN THE FUND AN AMOUNT, FROM  
3 THE PROCEEDS OF THE BONDS TO BE ISSUED OR FROM OTHER SOURCES,  
4 WHICH WHEN ADDED TO THE AMOUNT ALREADY IN SUCH FUND, WILL CAUSE  
5 THE TOTAL AMOUNT ON DEPOSIT IN SUCH FUND TO EQUAL OR EXCEED THE  
6 MINIMUM RESERVE FUND REQUIREMENT. FOR THE PURPOSES OF THIS  
7 SECTION, THE TERM "MINIMUM RESERVE FUND REQUIREMENT" SHALL MEAN  
8 THAT AMOUNT DEFINED AS THE MINIMUM RESERVE FUND REQUIREMENT IN  
9 THE RESOLUTION OR RESOLUTIONS OF THE AUTHORITY AUTHORIZING THE  
10 BONDS.

11 SECTION 314. BOND PAYMENT ACCOUNT AND CITY ACCOUNT.

12 (A) PAYMENT OF CERTAIN TAX REVENUE.--WHEN BONDS OR PAYMENTS  
13 DUE TO THE AUTHORITY FROM A CITY, ARE SECURED BY AND PAYABLE  
14 FROM A TAX OR TAXES LEVIED FOR AUTHORITY PURPOSES OR MADE  
15 AVAILABLE FOR USE BY THE AUTHORITY OR LEVIED BY THE ASSISTED  
16 CITY, WHICH TAX HAS BEEN PLEDGED BY THE AUTHORITY TO SECURE  
17 PAYMENT OF SUCH BONDS OR BY THE ASSISTED CITY TO SECURE PAYMENTS  
18 DUE TO THE AUTHORITY, THE PROCEEDS OF SUCH TAXES SHALL BE PAID  
19 BY THE COLLECTOR OR RECEIVER OF SUCH TAXES DIRECTLY TO THE BOND  
20 PAYMENT ACCOUNT, ANY DEBT SERVICE RESERVE FUND ESTABLISHED  
21 PURSUANT TO SECTION 313, AND THE CITY ACCOUNT OF THE AUTHORITY  
22 WHICH ARE HEREBY DIRECTED TO BE ESTABLISHED BY THE AUTHORITY AS  
23 TRUST FUNDS WITH A BANK WITH TRUST POWERS OR A TRUST COMPANY  
24 WITH A PLACE OF BUSINESS IN THE COMMONWEALTH SELECTED BY THE  
25 AUTHORITY.

26 (B) BOND PAYMENT ACCOUNT AS TRUST FUND.--THE BOND PAYMENT  
27 ACCOUNT SHALL BE A TRUST FUND HELD FOR THE EXCLUSIVE AND EQUAL  
28 AND RATABLE BENEFIT OF THE HOLDERS OF THE BONDS OF THE AUTHORITY  
29 SECURED BY AND PAYABLE FROM THE PROCEEDS OF ANY TAX PLEDGED BY  
30 THE AUTHORITY OR SECURED BY THE PAYMENTS DUE TO THE AUTHORITY

1 FROM THE CITY AS DESCRIBED IN SUBSECTION (A). THE AUTHORITY  
2 SHALL ESTABLISH A PAYMENT SCHEDULE FOR THE DEPOSIT OF AMOUNTS  
3 SUFFICIENT TO ACCUMULATE THE INTEREST AND PRINCIPAL BECOMING DUE  
4 ON SUCH BONDS IN EACH FISCAL YEAR OF THE AUTHORITY AND THE FIRST  
5 MONEYS RECEIVED FROM SUCH TAX OR OTHER PLEDGED REVENUES SHALL BE  
6 DEPOSITED IN THE BOND PAYMENT ACCOUNT UNTIL THE PAYMENT  
7 REQUIREMENT ESTABLISHED FOR THE BONDS HAS BEEN MET. ANY PROCEEDS  
8 OF SUCH TAX OR OTHER PLEDGED REVENUES IN EXCESS OF THE SCHEDULED  
9 DEPOSIT SHALL BE TRANSFERRED FIRST TO THE DEBT SERVICE RESERVE  
10 FUND OR FUNDS OF THE AUTHORITY ESTABLISHED UNDER SECTION 313 TO  
11 CURE ANY DEFICIENCY IN SUCH FUND. ANY REMAINING PROCEEDS SHALL  
12 BE TRANSFERRED TO THE CITY ACCOUNT. IF AT ANY TIME, PROCEEDS OF  
13 THE TAX ARE INSUFFICIENT TO MEET THE SCHEDULED DEPOSIT  
14 REQUIREMENT, ALL PROCEEDS OF THE TAX SHALL BE PAID INTO THE BOND  
15 PAYMENT ACCOUNT UNTIL ALL DEFICIENCIES HAVE BEEN RESTORED.  
16 INCOME ON INVESTMENTS OF MONEYS ON DEPOSIT IN THE BOND PAYMENT  
17 ACCOUNT SHALL BE RETAINED IN SUCH ACCOUNT AND APPLIED WHEN  
18 EARNED TO REDUCE FUTURE DEPOSIT REQUIREMENTS.

19 (C) STATUS OF CITY ACCOUNT.--THE CITY ACCOUNT SHALL BE A  
20 TRUST FUND HELD FOR THE EXCLUSIVE BENEFIT OF AN ASSISTED CITY.  
21 ANY PROCEEDS OF THE TAXES OR OTHER REVENUES PLEDGED TO SECURE  
22 THE BONDS OR TO SECURE PAYMENTS DUE FROM THE CITY TO THE  
23 AUTHORITY IN EXCESS OF THE PAYMENT REQUIREMENTS FOR THE BOND  
24 PAYMENT ACCOUNT AND IN EXCESS OF ANY AMOUNT REQUIRED TO CURE A  
25 DEFICIENCY IN THE DEBT SERVICE RESERVE FUND OR FUNDS ESTABLISHED  
26 PURSUANT TO SECTION 313 SHALL BE DEPOSITED IN THE CITY ACCOUNT.  
27 AMOUNTS IN THE CITY ACCOUNT SHALL BE INVESTED AT THE DIRECTION  
28 OF AN ASSISTED CITY IN INVESTMENTS PERMITTED BY THIS ACT.  
29 SUBJECT TO ANY SUSPENSION OF DISBURSEMENTS PURSUANT TO SECTION  
30 210(E), AMOUNTS IN THE CITY ACCOUNT SHALL BE DISBURSED TO AN



1 ASSISTED CITY NOT LESS OFTEN THAN MONTHLY FOR CREDIT TO SUCH  
2 CITY'S GENERAL FUND FOR APPLICATION TO THE GENERAL EXPENSES OF  
3 GOVERNMENT OR FOR DEPOSIT IN AN OPERATING RESERVE OF SUCH CITY  
4 IF SUCH OPERATING RESERVE IS CREATED PURSUANT TO AN  
5 INTERGOVERNMENTAL COOPERATION AGREEMENT.

6 SECTION 315. OTHER FUNDS AND ACCOUNTS.

7 (A) AUTHORIZATION.--THE AUTHORITY SHALL CREATE SUCH OTHER  
8 FUNDS AND ACCOUNTS AS MAY BE NECESSARY OR DESIRABLE FOR ITS  
9 CORPORATE PURPOSES AND SHALL PAY INTO EACH SUCH FUND OR ACCOUNT  
10 ANY MONEYS OF THE AUTHORITY AVAILABLE FOR SUCH PURPOSES OR ANY  
11 MONEYS APPROPRIATED AND MADE AVAILABLE BY THE COMMONWEALTH OR  
12 ANY OTHER PERSON FOR THE PURPOSES OF SUCH FUND OR ACCOUNT. NO  
13 OTHER PROVISION OF THIS ACT SHALL BE CONSTRUED TO PROHIBIT THE  
14 AUTHORITY FROM CREATING WITHIN ANY FUND ONE OR MORE ACCOUNTS  
15 WHICH MAY BE USED OR PLEDGED BY THE AUTHORITY FOR A SPECIAL  
16 PURPOSE.

17 (B) USE OF FUND MONEY.--ANY MONEYS DEPOSITED IN ANY FUND  
18 CREATED BY THE AUTHORITY TO BE USED TO PAY DEBT SERVICE,  
19 INCLUDING, WITHOUT LIMITATION, THE BOND PAYMENT ACCOUNT, ANY  
20 SINKING FUND OR DEBT SERVICE RESERVE FUND AND ALL INVESTMENTS  
21 AND PROCEEDS OF INVESTMENTS THEREOF SHALL, WITHOUT FURTHER  
22 ACTION OR FILING, BE SUBJECTED TO A PERFECTED SECURITY INTEREST  
23 FOR THE OBLIGEEES OF THE AUTHORITY FOR WHOM SUCH FUND IS HELD  
24 UNTIL SUCH MONEYS OR INVESTMENTS SHALL BE PROPERLY DISBURSED IN  
25 ACCORDANCE WITH THIS ACT AND WITH THE TERMS OF THE CONTRACT OF  
26 THE AUTHORITY WITH ITS OBLIGEEES.

27 SECTION 316. EXCHANGE OF BONDS FOR OBLIGATIONS OF CITY.

28 (A) DEBT EXCHANGE.--THE BONDS OF THE AUTHORITY MAY BE ISSUED  
29 IN EXCHANGE FOR OBLIGATIONS ISSUED BY AN ASSISTED CITY IN SUCH  
30 MANNER AND FROM TIME TO TIME AS MAY BE DETERMINED BY SUCH

1 AUTHORITY AND THE AUTHORITY MAY PAY ALL EXPENSES, PREMIUMS AND  
2 COMMISSIONS INCIDENT TO SUCH EXCHANGE WHICH THE AUTHORITY DEEMS  
3 NECESSARY OR APPROPRIATE.

4 (B) LIMITATION.--THE AUTHORITY SHALL NOT EXCHANGE ANY OF ITS  
5 BONDS FOR OBLIGATIONS OF A CITY UNLESS:

6 (1) SUCH CITY SHALL HAVE ENTERED INTO AN  
7 INTERGOVERNMENTAL COOPERATION AGREEMENT WITH THE AUTHORITY;  
8 AND

9 (2) THE AUTHORITY SHALL HAVE DETERMINED THAT THE TERMS  
10 OF SUCH EXCHANGE WILL NOT PREJUDICE THE RIGHTS OF HOLDERS OF  
11 OTHER BONDS AND NOTES OF SUCH CITY.

12 (C) AUTHORITY ACTION.--UPON RECEIPT OF THE OBLIGATIONS OF  
13 THE CITY SO EXCHANGED, THE AUTHORITY MAY HOLD SUCH OBLIGATIONS  
14 AND RECEIVE ALL PAYMENTS OF PRINCIPAL AND INTEREST THEREON, OR  
15 MAY DELIVER ALL OR A PORTION OF SUCH OBLIGATIONS TO THE CITY OR  
16 ITS FISCAL AGENT FOR CANCELLATION WITHOUT RECEIVING PAYMENT OF  
17 PRINCIPAL OR INTEREST ON SUCH OBLIGATIONS, IN WHICH EVENT THE  
18 CITY OR ITS FISCAL AGENT SHALL CANCEL SUCH OBLIGATIONS AND THE  
19 CITY SHALL HAVE NO FURTHER LIABILITY WITH RESPECT THERETO.

20 SECTION 317. INITIAL ISSUE OF AUTHORITY BONDS.

21 (A) AVAILABILITY OF PROCEEDS.--THE FIRST SERIES OF BONDS TO  
22 BE ISSUED BY THE AUTHORITY SHALL BE ISSUED IN SUCH MANNER AND  
23 TIME SO THAT THE NET PROCEEDS OF SUCH BONDS SHALL BE AVAILABLE  
24 ON OR BEFORE JUNE 30, 1991, OR AS SOON AS PRACTICABLE  
25 THEREAFTER, IN AN AMOUNT NOT LESS THAN THE AMOUNT REASONABLY  
26 ESTIMATED BY THE CITY REQUESTING THE ISSUANCE OF SUCH BONDS, TO  
27 BE ITS DEFICIT FOR THE FISCAL YEAR ENDING JUNE 30, 1991.

28 (B) AMENDMENT TO CITY BUDGET.--AS OF THE EFFECTIVE DATE OF  
29 THIS ACT, SUCH CITY SHALL BE AUTHORIZED TO AMEND ITS BUDGETS FOR  
30 THE FISCAL YEARS ENDING JUNE 30, 1991, AND JUNE 30, 1992, TO

1 INCREASE APPROPRIATIONS IN ANTICIPATION OF RECEIPT OF THE  
2 PROCEEDS OF THE FIRST SERIES OF BONDS TO BE ISSUED IN ACCORDANCE  
3 WITH SUBSECTION (A).

4 SECTION 318. PAYMENT OF TAXES WITH AUTHORITY BONDS.

5 IF THE RESOLUTION OF THE AUTHORITY AUTHORIZING OR AWARDING  
6 BONDS SHALL SO PROVIDE, WITH THE APPROVAL OF THE MAYOR OR CHIEF  
7 EXECUTIVE OFFICER OF THE ASSISTED CITY, THE AUTHORITY MAY ISSUE  
8 BONDS WHICH SHALL, UPON MATURITY, AT THE ELECTION OF THE HOLDER  
9 THEREOF IF SO PROVIDED IN SUCH BONDS, BE RECEIVABLE AT FULL FACE  
10 VALUE AND IN LIEU OF CASH IN PAYMENT OF ANY TAX WHICH IS PLEDGED  
11 AS SECURITY FOR SUCH BONDS OR AS SECURITY FOR ANY AGREEMENT  
12 BETWEEN THE AUTHORITY AND SUCH CITY SECURING THE BONDS, ANY  
13 INSTALLMENT OF ESTIMATED TAX SO PLEDGED TO SECURE SUCH BONDS OR  
14 PAYMENT, OR ANY INTEREST OR PENALTIES THEREON. ANY BONDS OF THE  
15 AUTHORITY SO RECEIVED IN PAYMENT OF ANY SUCH TAX OR INSTALLMENT  
16 OF ESTIMATED TAX OR INTEREST OR PENALTIES SHALL BE PRESENTED TO  
17 THE AUTHORITY FOR TENDER TO THE APPROPRIATE COLLECTOR OF SUCH  
18 TAXES.

19 SECTION 319. FINAL DATE FOR ISSUANCE OF BONDS.

20 NO BOND SHALL BE ISSUED ON A DATE LATER THAN DECEMBER 31,  
21 1996, UNLESS SUCH BOND IS A REFUNDING OF AN OUTSTANDING BOND  
22 ISSUED UNDER THIS ACT.

23 SECTION 320. CITY PAYMENT OF AUTHORITY BONDS.

24 AN ASSISTED CITY SHALL HAVE THE RIGHT AT ANY TIME TO DEPOSIT  
25 FUNDS WITH THE AUTHORITY IN AN AMOUNT SUFFICIENT TO PAY FOR THE  
26 DEFEASANCE OF ALL OR PART OF THE AUTHORITY'S BONDS. THE ASSISTED  
27 CITY DEPOSITING FUNDS WITH THE AUTHORITY PURSUANT TO THIS  
28 SECTION SHALL HAVE THE RIGHT TO DESIGNATE TO THE AUTHORITY THE  
29 MATURITIES OF BONDS OR PORTIONS THEREOF SUBJECT TO DEFEASANCE BY  
30 SUCH DEPOSIT. IF AN ASSISTED CITY PAYS TO THE AUTHORITY AN

1 AMOUNT SUFFICIENT TO PAY FOR THE DEFEASANCE OF ALL OF THE  
2 AUTHORITY'S BONDS, THE ASSISTED CITY SHALL BE DEEMED TO HAVE NO  
3 FURTHER OBLIGATIONS UNDER THIS ACT.

#### 4 CHAPTER 4

#### 5 TAX ANTICIPATION NOTES

6 SECTION 401. TAX ANTICIPATION NOTES OF CITIES OF FIRST CLASS.

7 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, EACH CITY SHALL

8 HAVE THE POWER AND AUTHORITY BY DETERMINATION ADOPTED BY A

9 MAJORITY OF THE LOAN COMMITTEE, TO BORROW MONEY FROM TIME TO

10 TIME IN ANY FISCAL YEAR IN ANTICIPATION OF THE RECEIPT OF

11 CURRENT TAXES OR CURRENT REVENUES, OR BOTH, TO EVIDENCE THE

12 OBLIGATION BY TAX ANTICIPATION NOTES, APPROPRIATELY DESIGNATED,

13 AND TO AUTHORIZE, ISSUE AND SELL SUCH NOTES IN THE MANNER, AND

14 SUBJECT TO THE LIMITATIONS PROVIDED IN THIS CHAPTER. NOTES

15 ISSUED IN ANTICIPATION OF TAXES SHALL BE DESIGNATED "TAX

16 ANTICIPATION NOTES," NOTES ISSUED IN ANTICIPATION OF OTHER

17 REVENUES SHALL BE DESIGNATED "REVENUE ANTICIPATION NOTES" AND

18 NOTES ISSUED IN ANTICIPATION OF TAXES AND REVENUES SHALL BE

19 DESIGNATED "TAX AND REVENUE ANTICIPATION NOTES." OBLIGATIONS

20 EVIDENCED BY TAX ANTICIPATION NOTES SHALL NOT BE DEEMED TO BE

21 DEBT OF A CITY SUBJECT TO THE LIMITATIONS OF ARTICLE 9 OF THE

22 CONSTITUTION OF PENNSYLVANIA. THE POWER SET FORTH IN THIS

23 ARTICLE TO BORROW FROM TIME TO TIME SHALL INCLUDE, BUT NOT BE

24 LIMITED TO, THE POWER TO MAKE A SINGLE AUTHORIZATION AND THEN

25 ISSUE AND SELL PORTIONS OF SUCH AMOUNT OF AUTHORIZED TAX

26 ANTICIPATION NOTES WHENEVER DESIRED DURING THE FISCAL YEAR.

27 NEGOTIATIONS FOR TAX ANTICIPATION NOTES MAY BE COMMENCED NOT

28 MORE THAN 30 DAYS PRIOR TO THE BEGINNING OF A FISCAL YEAR, BUT

29 ALL TAX ANTICIPATION NOTES SHALL BE ISSUED AND MATURE WITHIN THE

30 SAME FISCAL YEAR.

1 SECTION 402. LIMITATION ON AMOUNT OF TAX AND REVENUE

2 ANTICIPATION NOTES.

3 NO CITY SHALL AUTHORIZE OR ISSUE TAX ANTICIPATION NOTES IN  
4 ANY ONE FISCAL YEAR WHICH IN THE AGGREGATE SHALL EXCEED 85% OF:

5 (1) IN THE CASE OF NOTES SOLELY PAYABLE FROM AND SECURED  
6 BY A PLEDGE OF TAXES, THE AMOUNT OF SUCH TAXES LEVIED FOR THE  
7 CURRENT FISCAL YEAR;

8 (2) IN THE CASE OF NOTES SOLELY PAYABLE FROM AND SECURED  
9 BY A PLEDGE OF REVENUES OTHER THAN TAX REVENUES, THE AMOUNT  
10 OF SUCH REVENUES PLEDGED; OR

11 (3) IN THE CASE OF NOTES PAYABLE FROM AND SECURED BY A  
12 PLEDGE OF TAXES AND OTHER REVENUES, THE SUM OF SUCH TAXES  
13 LEVIED AND SUCH REVENUES PLEDGED;

14 WHICH, IN ALL CASES, ARE CERTIFIED, PURSUANT TO SECTION 406 AS  
15 REMAINING TO BE COLLECTED OR RECEIVED IN SUCH FISCAL YEAR DURING  
16 THE PERIOD WHEN THE NOTES WILL BE OUTSTANDING. THE CERTIFICATE  
17 SHALL BE AS OF A DATE NOT MORE THAN 30 DAYS PRIOR TO, AND NO  
18 LATER THAN, THE DATE OF THE ADOPTION OF THE DETERMINATION OF THE  
19 LOAN COMMITTEE AUTHORIZING THE ISSUE AND SALE OF THE TAX  
20 ANTICIPATION NOTES. IN COMPUTING THE AGGREGATE AMOUNT OF TAX  
21 ANTICIPATION NOTES OUTSTANDING AT ANY GIVEN TIME DURING THE  
22 FISCAL YEAR FOR THE PURPOSE OF THE LIMITATION IMPOSED BY THIS  
23 SECTION, ALLOWANCE SHALL BE MADE FOR SUCH NOTES AS HAVE ALREADY  
24 BEEN FULLY PAID AND FOR AMOUNTS ALREADY PAID INTO A SINKING FUND  
25 OR TRUST FUND ESTABLISHED FOR PAYMENT OF SUCH NOTES, IF ANY.

26 SECTION 403. LIMITATION ON STATED MATURITY DATE OF TAX AND

27 REVENUE ANTICIPATION NOTES; TIME OF PAYMENT OF  
28 INTEREST.

29 NO TAX ANTICIPATION NOTES SHALL BE STATED TO MATURE BEYOND  
30 THE LAST DAY OF THE FISCAL YEAR IN WHICH SUCH TAX ANTICIPATION

1 NOTES ARE ISSUED. INTEREST ON TAX ANTICIPATION NOTES FROM THE  
2 DATE THEREOF SHALL BE PAYABLE AT THE MATURITY OF SUCH NOTES OR  
3 PAYABLE IN INSTALLMENTS AT SUCH EARLIER DATES AND AT SUCH ANNUAL  
4 RATE OR RATES, FIXED OR VARIABLE, AS THE LOAN COMMITTEE BY A  
5 MAJORITY OF ITS MEMBERS, MAY DETERMINE.

6 SECTION 404. OTHER TERMS OF TAX AND REVENUE ANTICIPATION NOTES.

7 TAX ANTICIPATION NOTES SHALL BE ISSUED IN SUCH DENOMINATION,  
8 SHALL BE SUBJECT TO SUCH RIGHTS OF PRIOR REDEMPTION, SHALL HAVE  
9 SUCH PRIVILEGES OF INTERCHANGE AND REGISTRATION, SHALL BE DATED,  
10 SHALL BE STATED TO MATURE ON SUCH DATES AND IN SUCH AMOUNTS,  
11 SHALL BE IN REGISTERED OR BEARER FORM WITH OR WITHOUT COUPONS,  
12 IN CERTIFICATED OR BOOK-ENTRY ONLY FORM, SHALL BE PAYABLE IN  
13 SUCH MEDIUM OF PAYMENT AND SHALL BE PAYABLE AT SUCH PLACE OR  
14 PLACES, ALL AS THE LOAN COMMITTEE, BY A MAJORITY OF ITS MEMBERS,  
15 MAY DETERMINE.

16 SECTION 405. SECURITY FOR TAX AND REVENUE ANTICIPATION NOTES;

17 SINKING FUND OR TRUST FUND.

18 (A) SECURITY.--ALL TAX ANTICIPATION NOTES ISSUED IN A SINGLE  
19 FISCAL YEAR SHALL BE EQUALLY AND RATABLY SECURED BY THE PLEDGE  
20 OF, SECURITY INTEREST IN, AND A LIEN AND CHARGE ON, THE TAXES OR  
21 REVENUES OR BOTH OF THE CITY SPECIFIED IN THE AUTHORIZING  
22 DETERMINATION TO BE COLLECTED OR RECEIVED DURING THE PERIOD WHEN  
23 THE NOTES WILL BE OUTSTANDING. SUCH PLEDGE, LIEN AND CHARGE  
24 SHALL BE FULLY PERFECTED AS AGAINST THE CITY, ALL CREDITORS  
25 THEREOF, AND ALL THIRD PARTIES IN ACCORDANCE WITH THE TERMS OF  
26 SUCH AUTHORIZING DETERMINATION FROM AND AFTER THE FILING OF A  
27 FINANCING STATEMENT OR STATEMENTS IN ACCORDANCE WITH 13 PA.C.S.  
28 (RELATING TO COMMERCIAL CODE). FOR THE PURPOSE OF SUCH FILING  
29 THE SINKING FUND DEPOSITARY OR TRUSTEE OF A TRUST FUND FOR NOTE  
30 PAYMENTS, IF ANY, OTHERWISE THE FISCAL AGENT OR PAYING AGENT

1 DESIGNATED IN THE NOTES, MAY ACT AS THE REPRESENTATIVE OF  
2 NOTEHOLDERS AND IN SUCH CAPACITY, EXECUTE AND FILE THE FINANCING  
3 STATEMENT AND ANY CONTINUATION OR TERMINATION STATEMENTS AS  
4 SECURED PARTY. THE AUTHORIZING DETERMINATION MAY ESTABLISH ONE  
5 OR MORE SINKING FUNDS OR TRUST FUNDS FOR PAYMENT OF NOTES AND  
6 PROVIDE FOR PERIODIC OR OTHER DEPOSITS THEREIN, AND MAY CONTAIN  
7 SUCH COVENANTS OR OTHER PROVISIONS AS THE LOAN COMMITTEE, BY A  
8 MAJORITY OF ITS MEMBERS, SHALL DETERMINE. THE AMOUNT OF ANY TAX  
9 ANTICIPATION NOTES ISSUED IN COMPLIANCE WITH THIS CHAPTER SHALL  
10 BE GENERAL OBLIGATIONS OF THE CITY AND, IF THE SAME SHALL NOT BE  
11 PAID WITHIN THE FISCAL YEAR IN WHICH SUCH NOTES WERE ISSUED,  
12 SHALL BE INCLUDED IN THE BUDGET OF THE CITY FOR THE ENSUING  
13 FISCAL YEAR AND SHALL BE PAYABLE FROM THE TAXES AND REVENUES OF  
14 SUCH ENSUING YEAR.

15 (B) ENFORCEMENT OF NOTES.--THE HOLDER OF SUCH TAX  
16 ANTICIPATION NOTES ISSUED BY A CITY OR THE SINKING FUND  
17 DEPOSITARY OF THE APPLICABLE SINKING FUND, OR TRUSTEE OF ANY  
18 TRUST FUND FOR NOTE PAYMENT, IF ANY, THEREFOR SHALL HAVE THE  
19 RIGHT TO ENFORCE SUCH PLEDGE OF, SECURITY INTEREST IN AND LIEN  
20 AND CHARGE ON, THE PLEDGED TAXES AND REVENUES OF THE CITY  
21 AGAINST ALL GOVERNMENTAL AGENCIES IN POSSESSION OF ANY OF SUCH  
22 TAXES AND REVENUES AT ANY TIME WHICH TAXES AND REVENUES MAY BE  
23 COLLECTED DIRECTLY FROM SUCH OFFICIALS UPON NOTICE BY SUCH  
24 HOLDER OR DEPOSITARY OR TRUSTEE FOR APPLICATION TO THE PAYMENT  
25 THEREOF AS AND WHEN DUE OR FOR DEPOSIT IN THE APPLICABLE SINKING  
26 FUND OR TRUST FUND AT THE TIMES AND IN THE AMOUNTS SPECIFIED IN  
27 SUCH TAX ANTICIPATION NOTES. ANY GOVERNMENT AGENCIES IN  
28 POSSESSION OF ANY OF SUCH TAXES AND REVENUES SHALL MAKE PAYMENT,  
29 AGAINST RECEIPT THEREFOR, DIRECTLY TO THE HOLDER OF SUCH TAX  
30 ANTICIPATION NOTES OR TO SUCH DEPOSITARY OR TRUSTEE UPON SUCH

1 NOTICE AND SHALL THEREBY BE DISCHARGED FROM ANY FURTHER  
2 LIABILITY OR RESPONSIBILITY FOR SUCH TAXES AND REVENUES. IF SUCH  
3 PAYMENT SHALL BE TO A HOLDER OF TAX ANTICIPATION NOTES, IT SHALL  
4 BE MADE AGAINST SURRENDER OF THE NOTES TO THE PAYOR FOR DELIVERY  
5 TO THE CITY IN THE CASE OF PAYMENT IN FULL, OTHERWISE IT SHALL  
6 BE MADE AGAINST PRODUCTION OF THE NOTES FOR NOTATION THEREON OF  
7 THE AMOUNT OF THE PAYMENT. THE PROVISIONS OF THIS PARAGRAPH WITH  
8 RESPECT TO THE ENFORCEABILITY AND COLLECTION OF TAXES AND  
9 REVENUES WHICH SECURE TAX ANTICIPATION NOTES OF A CITY SHALL  
10 SUPERSEDE ANY CONTRARY OR INCONSISTENT STATUTORY PROVISION OR  
11 RULE OF LAW. THIS CHAPTER SHALL BE CONSTRUED AND APPLIED TO  
12 FULFILL THE LEGISLATIVE PURPOSE OF CLARIFYING AND FACILITATING  
13 TEMPORARY BORROWINGS BY A CITY BY ASSURING TO HOLDERS OF TAX  
14 ANTICIPATION NOTES THE FULL AND IMMEDIATE BENEFIT OF THE  
15 SECURITY THEREFOR WITHOUT DELAY, DIMINISHMENT OR INTERFERENCE  
16 BASED ON ANY STATUTE, DECISION, ORDINANCE OR ADMINISTRATIVE RULE  
17 OR PRACTICE.

18 (C) LIMITATION ON PREVIOUSLY PLEDGED SECURITY.--  
19 NOTWITHSTANDING THE FOREGOING, NO TAXES OR REVENUES PLEDGED TO  
20 SECURE BONDS OF THE AUTHORITY OR TO SECURE PAYMENTS DUE TO THE  
21 AUTHORITY FROM A CITY PURSUANT TO AN AGREEMENT WITH THE  
22 AUTHORITY SHALL BE PLEDGED TO SECURE PAYMENT OF TAX ANTICIPATION  
23 NOTES UNLESS SUCH PLEDGE IS, BY ITS EXPRESS TERMS, SUBORDINATE  
24 IN ALL RESPECTS TO THE PLEDGE OF SUCH TAXES AND REVENUES TO  
25 SECURE THE BONDS OF THE AUTHORITY OR PAYMENTS DUE TO THE  
26 AUTHORITY AND THE WRITTEN CONSENT OF THE AUTHORITY TO SUCH  
27 SUBORDINATED PLEDGE IS OBTAINED PRIOR TO THE ISSUANCE OF THE TAX  
28 ANTICIPATION NOTES SO SECURED. THE HOLDER OF SUCH TAX  
29 ANTICIPATION NOTES SO SECURED BY A SUBORDINATED PLEDGE DESCRIBED  
30 IN THIS SUBSECTION SHALL HAVE NO RIGHT TO ENFORCE SUCH PLEDGE IN



1 THE MANNER DESCRIBED IN SUBSECTION (B) UNLESS ALL PAYMENTS DUE  
2 TO THE AUTHORITY OR DUE ON THE BONDS OF AN AUTHORITY SECURED BY  
3 THE SENIOR PLEDGE OF SUCH TAXES AND REVENUES SHALL HAVE BEEN  
4 MADE OR PROVIDED FOR.

5 SECTION 406. CERTIFICATION AS TO TAXES AND REVENUES TO BE  
6 COLLECTED.

7 PRIOR TO EACH AUTHORIZATION OF TAX ANTICIPATION NOTES, THE  
8 DIRECTOR OF FINANCE OF THE CITY SHALL MAKE AN ESTIMATE OF THE  
9 MONEYS TO BE RECEIVED DURING THE PERIOD WHEN SUCH NOTES WILL BE  
10 OUTSTANDING FROM TAXES THEN LEVIED AND ASSESSED, AND REVENUES,  
11 INCLUDING, WITHOUT LIMITATION, SUBSIDIES OR REIMBURSEMENTS TO BE  
12 RECEIVED. SUCH ESTIMATE SHALL TAKE DUE ACCOUNT OF THE PAST AND  
13 ANTICIPATED COLLECTION EXPERIENCE OF THE CITY AND OF CURRENT  
14 ECONOMIC CONDITIONS. THE ESTIMATE SHALL BE CERTIFIED BY THE  
15 DIRECTOR OF FINANCE AND THE WRITTEN CERTIFICATE OF THE DIRECTOR  
16 OF FINANCE, DATED AS OF A DATE NOT MORE THAN 30 DAYS PRIOR TO  
17 THE DATE OF THE AUTHORIZATION OF THE NOTES, SHALL BE FILED WITH  
18 THE PROCEEDINGS AUTHORIZING THE TAX ANTICIPATION NOTES WITH THE  
19 FISCAL AGENT, SINKING FUND DEPOSITARY, TRUSTEE OR PAYING AGENT  
20 FOR THE NOTES OR THE AUTHORITY, AS PROVIDED IN SECTION 408 OF  
21 THIS ACT.

22 SECTION 407. SALE OF TAX ANTICIPATION NOTES.

23 TAX ANTICIPATION NOTES MAY BE SOLD AT PUBLIC, PRIVATE, OR  
24 INVITED SALE AND AT SUCH PRICE OR PRICES AS THE LOAN COMMITTEE,  
25 BY A MAJORITY OF ITS MEMBERS, SHALL DETERMINE. AT THE TIME OF  
26 DELIVERY OF EACH ISSUE, SERIES OR SUBSERIES OF TAX ANTICIPATION  
27 NOTES, THE DIRECTOR OF FINANCE OF THE CITY SHALL CERTIFY TO THE  
28 ORIGINAL PURCHASERS THEREOF THAT THE AMOUNT OF ALL SUCH NOTES TO  
29 REMAIN OUTSTANDING WILL NOT EXCEED THE LIMITATIONS OF SECTION  
30 402 CALCULATED, HOWEVER, FROM THE DATE OF SUCH CERTIFICATE TO

1 THE RESPECTIVE MATURITY DATES OF ALL SUCH NOTES TO REMAIN  
2 OUTSTANDING. SUCH CERTIFICATE SHALL BE RETAINED BY THE CITY  
3 UNTIL ALL TAX ANTICIPATION NOTES ISSUED DURING THE FISCAL YEAR  
4 SHALL HAVE BEEN PAID IN FULL.

5 SECTION 408. FILING OF PROCEEDINGS WITH AUTHORITY.

6 WHILE ANY BONDS OF THE AUTHORITY ARE OUTSTANDING, PRIOR TO  
7 THE DELIVERY OF TAX ANTICIPATION NOTES TO THE ORIGINAL  
8 PURCHASERS THEREOF, THE CITY SHALL FILE WITH THE AUTHORITY:

9 (1) THE TRANSCRIPT OF PROCEEDINGS AUTHORIZING THE  
10 ISSUANCE OF THE TAX ANTICIPATION NOTES, CONSISTING OF THE  
11 DETERMINATION AUTHORIZING THE NOTES;

12 (2) THE CERTIFICATE REQUIRED BY SECTION 406 AS TO THE  
13 AMOUNT OF TAXES AND REVENUES TO BE COLLECTED DURING THE TERM  
14 OF THE TAX ANTICIPATION NOTES;

15 (3) THE CERTIFICATE REQUIRED BY SECTION 407; AND

16 (4) A TRUE COPY OF THE ACCEPTED PROPOSAL FOR THE  
17 ANTICIPATION NOTES, PRIOR TO THE DELIVERY OF THE TAX  
18 ANTICIPATION NOTES.

19 SECTION 409. PURCHASE OF TAX ANTICIPATION NOTES BY AUTHORITY.

20 SUBJECT TO THE LIMITATIONS OF THIS ACT, THE AUTHORITY IS  
21 AUTHORIZED TO PURCHASE TAX ANTICIPATION NOTES OF A CITY AND TO  
22 ASSIGN ITS RIGHTS TO RECEIVE PAYMENT ON SUCH NOTES AND THE  
23 PLEDGE OF AND SECURITY INTEREST IN THE TAXES AND REVENUES OF THE  
24 CITY SECURING SUCH TAX ANTICIPATION NOTES.

25 SECTION 410. FAILURE TO PAY PRINCIPAL OR INTEREST.

26 IF A CITY FAILS TO PAY PRINCIPAL OR INTEREST ON ANY OF ITS  
27 TAX ANTICIPATION NOTES AS THE SAME BECOMES DUE AND PAYABLE  
28 WHETHER AT THE STATED MATURITY DATE OR UPON A MANDATORY OR  
29 UNREVOKED CALL FOR PRIOR REDEMPTION AND SUCH FAILURE SHALL  
30 CONTINUE FOR 30 DAYS, THE HOLDER THEREOF SHALL, SUBJECT TO THE

1 PRIORITIES CREATED UNDER THIS ACT AND THE PROVISIONS OF ANY  
2 OUTSTANDING OBLIGATIONS OF THE CITY AND TO ANY LIMITATION UPON  
3 INDIVIDUAL RIGHTS OF ACTION IN THE DETERMINATION AUTHORIZING THE  
4 TAX ANTICIPATION NOTES, HAVE THE RIGHT TO RECOVER THE AMOUNT DUE  
5 BY ACTION IN THE COURT OF COMMON PLEAS. THE JUDGMENT RECOVERED  
6 SHALL HAVE AN APPROPRIATE PRIORITY UPON THE MONEYS NEXT COMING  
7 INTO THE TREASURY OF THE CITY.

8 SECTION 411. REMEDIES OF HOLDERS OF TAX AND REVENUE  
9 ANTICIPATION NOTES.

10 A HOLDER OF TAX AND REVENUE ANTICIPATION NOTES SHALL HAVE THE  
11 RIGHT, IN ADDITION TO ALL OTHER RIGHTS WHICH MAY BE CONFERRED ON  
12 SUCH HOLDER, SUBJECT ONLY TO ANY CONTRACTUAL RESTRICTIONS  
13 BINDING UPON SUCH HOLDER:

14 (1) BY MANDAMUS, SUIT, ACTION OR PROCEEDING AT LAW OR IN  
15 EQUITY, TO COMPEL THE CITY, THE LOAN COMMITTEE AND THE  
16 MEMBERS THEREOF AND THE OFFICERS, AGENTS OR EMPLOYEES THEREOF  
17 TO PERFORM EACH AND EVERY TERM, PROVISION AND COVENANT  
18 CONTAINED IN ANY NOTE OR CONTRACT OF THE CITY WITH OR FOR THE  
19 BENEFIT OF SUCH HOLDER, AND TO REQUIRE THE CARRYING OUT OF  
20 ANY OR ALL SUCH COVENANTS AND AGREEMENTS OF THE CITY AND THE  
21 FULFILLMENT OF ALL DUTIES IMPOSED UPON THE CITY BY THIS ACT.

22 (2) BY PROCEEDING IN EQUITY, TO OBTAIN AN INJUNCTION  
23 AGAINST ANY ACTS OR THINGS WHICH MAY BE UNLAWFUL OR THE  
24 VIOLATION OF ANY OF THE RIGHTS OF SUCH HOLDER OF TAX AND  
25 REVENUE ANTICIPATION NOTES.

26 (3) TO REQUIRE THE CITY TO ACCOUNT AS IF IT WERE THE  
27 TRUSTEE OF AN EXPRESS TRUST FOR THE HOLDERS OF TAX AND  
28 REVENUE ANTICIPATION NOTES FOR ANY PLEDGED TAXES OR REVENUES  
29 RECEIVED.

1                   OPTIONAL SALES AND USE TAX

2   SECTION 501.   DEFINITIONS.

3       THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
4   SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
5   CONTEXT CLEARLY INDICATES OTHERWISE:

6       "DEPARTMENT."   THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

7       "TAX."   THE TAX AUTHORIZED TO BE IMPOSED BY THE GOVERNING  
8   BODY OF A CITY UNDER THIS CHAPTER.

9   SECTION 502.   CONSTRUCTION OF CHAPTER.

10      THE TAX IMPOSED BY THE GOVERNING BODY OF A CITY PURSUANT TO  
11   THIS CHAPTER SHALL BE IN ADDITION TO ANY TAX IMPOSED BY THE  
12   COMMONWEALTH PURSUANT TO ARTICLE II OF THE ACT OF MARCH 4, 1971  
13   (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. EXCEPT AS  
14   OTHERWISE PROVIDED IN THIS CHAPTER, THE PROVISIONS OF ARTICLE II  
15   OF THE TAX REFORM CODE OF 1971 SHALL APPLY TO THE TAXES IMPOSED  
16   PURSUANT TO SECTION 503.

17   SECTION 503.   IMPOSITION OF ADDITIONAL TAX.

18      (A)   SALES.--THE GOVERNING BODY OF A CITY MAY LEVY, ASSESS  
19   AND COLLECT UPON EACH SEPARATE SALE AT RETAIL OF TANGIBLE  
20   PERSONAL PROPERTY OR CERTAIN SERVICES WITHIN THAT CITY A TAX ON  
21   THE PURCHASE PRICE. THE TAX SHALL BE COLLECTED BY THE VENDOR  
22   FROM THE PURCHASER AND SHALL BE PAID OVER TO THE COMMONWEALTH AS  
23   PROVIDED IN THIS CHAPTER.

24      (B)   USE.--IN ANY CITY WHICH IMPOSES THE TAX AUTHORIZED IN  
25   SUBSECTION (A), THERE SHALL BE LEVIED, ASSESSED AND COLLECTED  
26   UPON THE USE, WITHIN THAT CITY, OF TANGIBLE PERSONAL PROPERTY  
27   PURCHASED AT RETAIL, AND ON CERTAIN SERVICES PURCHASED AT  
28   RETAIL, A TAX ON THE PURCHASE PRICE. THE TAX SHALL BE PAID TO  
29   THE COMMONWEALTH BY THE PERSON WHO MAKES SUCH USE AS PROVIDED IN  
30   REGULATIONS. THE USE TAX SHALL NOT BE PAID TO THE COMMONWEALTH

1 BY ANY PERSON WHO HAS PAID ANY CITY TAX IMPOSED UNDER THIS  
2 CHAPTER EQUAL TO OR GREATER THAN THE TAX IMPOSED PURSUANT TO  
3 EITHER SUBSECTION (A) OR THIS SUBSECTION.

4 (C) HOTEL.--IN ANY CITY WHICH IMPOSES A TAX AUTHORIZED IN  
5 SUBSECTION (A), THERE SHALL BE LEVIED, ASSESSED AND COLLECTED AN  
6 EXCISE TAX ON THE RENT UPON EVERY OCCUPANCY OF A ROOM OR ROOMS  
7 IN A HOTEL IN THE CITY. THE TAX SHALL BE COLLECTED BY THE  
8 OPERATOR OR OWNER FROM THE OCCUPANT AND PAID OVER TO THE  
9 COMMONWEALTH.

10 (D) RATE AND UNIFORMITY.--

11 (1) THE TAX AUTHORIZED BY SUBSECTIONS (A), (B) AND (C)  
12 MAY BE IMPOSED AT A RATE OF EITHER 0.5% OR 1%.

13 (2) THE TAX IMPOSED BY SUBSECTIONS (A), (B) AND (C)  
14 SHALL BE UNIFORM.

15 (E) TAX COMPUTATION.--THE TAX IMPOSED UNDER SUBSECTIONS (A),  
16 (B) AND (C) SHALL BE COMPUTED AS FOLLOWS:

17 (1) IN CITIES IMPOSING THE TAX AUTHORIZED BY THIS  
18 SECTION AT THE RATE OF 0.5%, THE TAX SHALL BE COMPUTED AS  
19 FOLLOWS:

20 (I) IF THE PURCHASE PRICE IS 99¢ OR LESS, NO TAX  
21 SHALL BE COLLECTED.

22 (II) IF THE PURCHASE PRICE IS \$1 OR MORE BUT LESS  
23 THAN \$3, 1¢ SHALL BE COLLECTED.

24 (III) IF THE PURCHASE PRICE IS \$4 OR MORE BUT LESS  
25 THAN \$5, 2¢ SHALL BE COLLECTED.

26 (IV) IF THE PURCHASE PRICE IS \$5 OR MORE BUT LESS  
27 THAN \$7, 3¢ SHALL BE COLLECTED.

28 (V) IF THE PURCHASE PRICE IS \$7 OR MORE BUT LESS  
29 THAN \$9, 4¢ SHALL BE COLLECTED.

30 (VI) IF THE PURCHASE PRICE IS \$9 OR MORE BUT LESS

1           THAN \$10.01, 5¢ SHALL BE COLLECTED.

2           (VII) IF THE PURCHASE PRICE IS MORE THAN \$10, 0.5%  
3           OF EACH \$10 OF PURCHASE PRICE PLUS THE ABOVE BRACKET  
4           CHARGES UPON ANY FRACTIONAL PART OF A \$10 INCREMENT SHALL  
5           BE COLLECTED.

6           (2) IN CITIES IMPOSING THE TAX AUTHORIZED BY THIS  
7           SECTION AT THE RATE OF 1%, THE TAX SHALL BE COMPUTED AS  
8           FOLLOWS:

9           (I) IF THE PURCHASE PRICE IS 49¢ OR LESS, NO TAX  
10          SHALL BE COLLECTED.

11          (II) IF THE PURCHASE PRICE IS 50¢ OR MORE BUT NOT  
12          LESS THAN \$1.50, 1¢ SHALL BE COLLECTED.

13          (III) IF THE PURCHASE PRICE IS \$1.50 OR MORE BUT  
14          LESS THAN \$2.50, 2¢ SHALL BE COLLECTED.

15          (IV) IF THE PURCHASE PRICE IS \$2.50 OR MORE BUT LESS  
16          THAN \$3.50, 3¢ SHALL BE COLLECTED.

17          (V) IF THE PURCHASE PRICE IS \$3.50 OR MORE BUT LESS  
18          THAN \$4.50, 4¢ SHALL BE COLLECTED.

19          (VI) IF THE PURCHASE PRICE IS \$4.50 OR MORE BUT LESS  
20          THAN \$5.50, 5¢ SHALL BE COLLECTED.

21          (VII) IF THE PURCHASE PRICE IS \$5.50 OR MORE BUT  
22          LESS THAN \$6.50, 6¢ SHALL BE COLLECTED.

23          (VIII) IF THE PURCHASE PRICE IS \$6.50 OR MORE BUT  
24          LESS THAN \$7.50, 7¢ SHALL BE COLLECTED.

25          (IX) IF THE PURCHASE PRICE IS \$7.50 OR MORE BUT LESS  
26          THAN \$8.50, 8¢ SHALL BE COLLECTED.

27          (X) IF THE PURCHASE PRICE IS \$8.50 OR MORE BUT LESS  
28          THAN \$9.50, 9¢ SHALL BE COLLECTED.

29          (XI) IF THE PURCHASE PRICE IS \$9.50 OR MORE BUT LESS  
30          THAN \$10.01, 10¢ SHALL BE COLLECTED.

1           (XII) IF THE PURCHASE PRICE IS MORE THAN \$10, 1% OF  
2           EACH \$10 PURCHASE PRICE PLUS THE ABOVE BRACKET CHARGES  
3           UPON ANY FRACTIONAL PART OF A \$10 INCREMENT SHALL BE  
4           COLLECTED.

5           (F) DISCOUNTS.--THERE SHALL BE NO DISCOUNT ALLOWED FOR ANY  
6           TAXES COLLECTED AND REPORTED UNDER THIS SECTION.  
7           SECTION 504. SITUS FOR IMPOSITION OF TAX.

8           (A) SITUS FOR RETAIL SALES.--FOR PURPOSES OF THIS CHAPTER  
9           AND EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A SALE AT  
10          RETAIL SHALL BE DEEMED TO BE CONSUMMATED AT THE PLACE OF  
11          BUSINESS OF THE RETAILER UNLESS THE TANGIBLE PERSONAL PROPERTY  
12          SOLD IS DELIVERED BY THE RETAILER OR HIS AGENT TO AN OUT-OF-  
13          STATE DESTINATION OR TO A COMMON CARRIER FOR DELIVERY TO AN OUT-  
14          OF-STATE DESTINATION OR THE UNITED STATES MAELS FOR DELIVERY TO  
15          AN OUT-OF-STATE DESTINATION. IN THE EVENT A RETAILER HAS MORE  
16          THAN ONE PLACE OF BUSINESS IN THIS COMMONWEALTH WHICH  
17          PARTICIPATES IN THE SALE, THE SALE SHALL BE DEEMED TO BE  
18          CONSUMMATED AT THE PLACE OF BUSINESS OF THE RETAILER WHERE THE  
19          INITIAL ORDER FOR THE TANGIBLE PERSONAL PROPERTY IS TAKEN, EVEN  
20          THOUGH THE ORDER MUST BE FORWARDED ELSEWHERE FOR ACCEPTANCE,  
21          APPROVAL OF CREDIT, SHIPMENT OR BILLING. A SALE BY A RETAILER'S  
22          EMPLOYEE SHALL BE DEEMED TO BE CONSUMMATED AT THE PLACE OF  
23          BUSINESS FROM WHICH THAT EMPLOYEE WORKS.

24          (B) SITUS FOR USE.--IF THE TANGIBLE PERSONAL PROPERTY IS  
25          SHIPPED FROM OUTSIDE THIS COMMONWEALTH TO A CUSTOMER WITHIN THE  
26          CITY IMPOSING THE TAX AUTHORIZED BY SECTION 503, THE TANGIBLE  
27          PERSONAL PROPERTY IS SUBJECT TO THE USE TAX IMPOSED BY SECTION  
28          503. THE USE IS CONSUMMATED AT THE FIRST POINT IN THE CITY WHERE  
29          THE PROPERTY IS DELIVERED FOR USE OR OTHERWISE CONSUMED.

30          (C) SITUS FOR VEHICLE, AIRCRAFT AND MOTORCRAFT SALES.--

(1) THE SALE AT RETAIL OR USE OF A MOTOR VEHICLE, TRAILER OR SEMITRAILER, AS DEFINED IN 75 PA.C.S. (RELATING TO VEHICLES), SHALL BE DEEMED TO HAVE BEEN COMPLETED OR USED AT THE ADDRESS OF THE PURCHASER OR USER. THE TAX DUE SHALL BE PAID BY THE PURCHASER OR USER DIRECTLY TO THE DEPARTMENT OF TRANSPORTATION AT THE TIME OF MAKING APPLICATION FOR THE ISSUANCE OF A CERTIFICATE OF TITLE OR DIRECTLY TO THE DEPARTMENT IF A CERTIFICATE OF TITLE IS NOT OBTAINED.

(2) THE SALE AT RETAIL OR USE OF A MOTORBOAT, AIRCRAFT, MOBILE HOME OR SIMILAR TANGIBLE PERSONAL PROPERTY, REQUIRED UNDER FEDERAL LAW OR THE LAWS OF THIS COMMONWEALTH TO BE REGISTERED OR LICENSED, PURCHASED FROM A PERSON NOT ENGAGED IN THE BUSINESS OF SELLING SUCH PROPERTY SHALL BE DEEMED TO HAVE BEEN COMPLETED OR USED AT THE ADDRESS OF THE PURCHASER OR USER. THE TAX DUE SHALL BE PAID BY THE PURCHASER OR USER AT THE TIME OF REGISTRATION OR LICENSING OR DIRECTLY TO THE DEPARTMENT IF REGISTRATION OR LICENSING IS NOT OBTAINED.

(D) SITUS FOR UTILITY SERVICES.--THE SALE OR USE OF STEAM, NATURAL AND MANUFACTURED GAS, ELECTRICITY, AND INTRASTATE TELEPHONE AND TELEGRAPH SERVICE SHALL BE DEEMED TO OCCUR IN THE COUNTY WHERE THE TELEPHONE NUMBER UNDER WHICH THE SERVICE FURNISHED IS LOCATED OR WHERE THE TELEGRAPH ORIGINATED OR WHERE THE METER WHICH REGISTERS THE SERVICE IS LOCATED, WITHOUT REGARD TO WHERE THE SERVICES ARE RENDERED.

#### SECTION 505. LICENSES.

THE LICENSE ISSUED PURSUANT TO ARTICLE II OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971 OR A SEPARATE LICENSE MAY BE ISSUED BY THE DEPARTMENT FOR THE COLLECTION AND REPORTING OF THE TAXES IMPOSED BY SECTION 503. THE LICENSE OR LICENSES SHALL BE NONASSIGNABLE AND SUBJECT TO



1 RENEWAL PERIODICALLY AT SUCH TIMES ANY MAY BE REQUIRED BY THE  
2 DEPARTMENT IN REGULATIONS BUT IN NO EVENT MORE FREQUENTLY THAN  
3 ONCE WITHIN A FIVE-YEAR PERIOD. NO FEE SHALL BE CHARGED FOR  
4 EITHER A LICENSE OR ANY RENEWAL. FAILURE OF ANY PERSON TO OBTAIN  
5 A LICENSE SHALL NOT RELIEVE THAT PERSON OF LIABILITY TO PAY THE  
6 TAXES IMPOSED BY THIS CHAPTER.

7 SECTION 506. RULES AND REGULATIONS.

8 (1) THE RULES AND REGULATIONS PROMULGATED UNDER SECTION  
9 270 OF THE TAX REFORM CODE OF 1971 SHALL BE APPLICABLE TO THE  
10 TAXES IMPOSED BY SECTION 503 INsofar AS SUCH RULES AND  
11 REGULATIONS ARE CONSISTENT WITH SECTION 503.

12 (2) THE DEPARTMENT SHALL ADMINISTER AND ENFORCE THE  
13 PROVISIONS OF THIS CHAPTER AND IS AUTHORIZED TO PROMULGATE  
14 AND ENFORCE RULES AND REGULATIONS NOT INCONSISTENT WITH THE  
15 PROVISIONS OF THIS CHAPTER, RELATING TO ANY MATTER OR THING  
16 PERTAINING TO THE ADMINISTRATION AND ENFORCEMENT OF THE  
17 PROVISION OF THIS CHAPTER. THE DEPARTMENT MAY PRESCRIBE THE  
18 EXTENT TO WHICH ANY OF SUCH RULES AND REGULATIONS SHALL BE  
19 APPLIED WITHOUT RETROACTIVE EFFECT.

20 (3) THE DEPARTMENT, TO COVER ITS COSTS OF  
21 ADMINISTRATION, SHALL BE ENTITLED TO RETAIN UP TO 1% OF ALL  
22 SUMS AS REIMBURSEMENT FOR COSTS OF COLLECTION. TO PROVIDE A  
23 TIMELY FORECAST AND ASSURE CONSIDERATION OF THE AMOUNT OF  
24 SUCH REIMBURSEMENT, THE DEPARTMENT SHALL ESTIMATE ITS COSTS  
25 OF COLLECTION FOR THE NEXT SUCCEEDING FISCAL YEAR AND PROVIDE  
26 SUCH ESTIMATES, WITH ALL SUPPORTING DETAIL, TO THE  
27 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
28 COMMITTEE OF THE SENATE AND TO THE CHAIRPERSON AND MINORITY  
29 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF  
30 REPRESENTATIVES, WITH A COPY TO THE CITY AND, IN THE EVENT

1 THAT ALL OR ANY PART OF THE TAX IMPOSED PURSUANT TO THIS  
2 CHAPTER IS ENACTED AS AN INTERGOVERNMENTAL COOPERATION  
3 AUTHORITY TAX PURSUANT TO CHAPTER 6, A COPY SHALL BE PROVIDED  
4 TO THE AUTHORITY.

5 SECTION 507. EXCLUSION FROM RATE LIMITATIONS.

6 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE IMPOSITION OF  
7 THE TAX AUTHORIZED BY SECTION 503 SHALL NOT CAUSE A REDUCTION IN  
8 THE RATE OF TAX IMPOSED PURSUANT TO SECTION 23(C) OF THE ACT OF  
9 JUNE 27, 1986 (P.L.267, NO.70), KNOWN AS THE PENNSYLVANIA  
10 CONVENTION CENTER AUTHORITY ACT.

11 SECTION 508. PROCEDURE AND ADMINISTRATION.

12 (A) ADOPTION OF ORDINANCE.--THE GOVERNING BODY IN ANY CITY  
13 DESIRING TO IMPOSE THE TAX AUTHORIZED BY SECTION 503 SHALL ADOPT  
14 AN ORDINANCE WHICH SHALL STATE THE TAX RATE AND REFER TO THIS  
15 CHAPTER.

16 (B) NOTIFICATION TO DEPARTMENT.--A CERTIFIED COPY OF A CITY  
17 ORDINANCE SHALL BE DELIVERED TO THE DEPARTMENT NO LATER THAN 90  
18 DAYS PRIOR TO THE EFFECTIVE DATE OF THAT ORDINANCE. THE CITY  
19 ORDINANCE MAY HAVE AN EFFECTIVE DATE WHICH IS NO EARLIER THAN  
20 THE 90TH DAY FOLLOWING THE EFFECTIVE DATE OF THIS ACT.

21 (C) COPY OF REPEAL ORDINANCE.--A CERTIFIED COPY OF A REPEAL  
22 ORDINANCE SHALL BE DELIVERED TO THE DEPARTMENT AT LEAST 30 DAYS  
23 PRIOR TO THE EFFECTIVE DATE OF SUCH REPEAL.

24 (D) COPY OF RATE CHANGE ORDINANCE.--A CERTIFIED COPY OF ANY  
25 ORDINANCE CHANGING THE RATE OF THE TAX IMPOSED BY SECTION 503  
26 SHALL BE DELIVERED TO THE DEPARTMENT AT LEAST 90 DAYS PRIOR TO  
27 THE EFFECTIVE DATE OF SUCH ORDINANCE. SUCH RATE CHANGES SHALL BE  
28 EFFECTIVE 90 DAYS AFTER DELIVERY OF THE RATE CHANGE ORDINANCE TO  
29 THE DEPARTMENT.

30 SECTION 509. DEDICATION AND DISBURSEMENT.

1       (A) LOCAL SALES AND USE TAX FUND.--THERE IS HEREBY CREATED A  
2 LOCAL SALES AND USE TAX FUND. THE STATE TREASURER SHALL BE  
3 CUSTODIAN OF THE LOCAL SALES AND USE TAX FUND, WHICH SHALL BE  
4 SUBJECT TO THE PROVISIONS OF LAW APPLICABLE TO FUNDS LISTED IN  
5 SECTION 302 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN  
6 AS THE FISCAL CODE. TAXES IMPOSED PURSUANT TO SECTION 503 SHALL  
7 BE RECEIVED BY THE DEPARTMENT AND PAID INTO THE STATE TREASURY  
8 AND, ALONG WITH INTEREST AND PENALTIES, LESS ANY REFUNDS AND  
9 CREDITS PAID, SHALL BE CREDITED TO THE LOCAL SALES AND USE TAX  
10 FUND NOT LESS FREQUENTLY THAN WEEKLY. MONEYS PAID INTO THE LOCAL  
11 SALES AND USE TAX FUND SHALL BE AT ALL TIMES PROPERTY OF THE  
12 CITY AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS SECTION. ALL  
13 MONEYS IN THE LOCAL SALES AND USE TAX FUND, INCLUDING, BUT NOT  
14 LIMITED TO, MONEYS PAID INTO THE FUND PURSUANT TO THIS SECTION,  
15 PRIOR YEAR ENCUMBRANCES AND THE INTEREST EARNED THEREON, SHALL  
16 NOT LAPSE OR BE TRANSFERRED TO ANY OTHER FUND, BUT SHALL REMAIN  
17 IN THE LOCAL SALES AND USE TAX FUND AND MUST BE USED EXCLUSIVELY  
18 AS PROVIDED IN THIS SECTION. PENDING THEIR DISBURSEMENT TO  
19 CITIES, MONEYS RECEIVED ON BEHALF OF OR DEPOSITED INTO THE LOCAL  
20 SALES AND USE TAX FUND SHALL BE INVESTED OR REINVESTED AS ARE  
21 OTHER FUNDS IN THE CUSTODY OF THE STATE TREASURER IN THE MANNER  
22 PROVIDED BY LAW. ALL EARNINGS RECEIVED FROM THE INVESTMENT OR  
23 DEPOSIT OF SUCH FUNDS SHALL BE CREDITED TO THE LOCAL SALES AND  
24 USE TAX FUND.

25       (B) DISBURSEMENT TO CITIES.--ON OR BEFORE THE 20TH DAY OF  
26 EVERY MONTH, THE STATE TREASURER SHALL DISBURSE THE TOTAL AMOUNT  
27 OF MONEYS WHICH ARE, AS OF THE 10TH DAY OF SUCH MONTH, CONTAINED  
28 IN THE LOCAL SALES AND USE TAX FUND AS A RESULT OF THE TAX  
29 AUTHORIZED TO BE IMPOSED BY SECTION 503 TO CITIES IMPOSING SUCH  
30 TAX. THE AMOUNT DISBURSED TO EACH SUCH CITY SHALL BE EQUAL TO

1 THE TAX, PLUS INTEREST AND PENALTIES, COLLECTED ON BEHALF OF  
2 THAT CITY PURSUANT TO SECTION 503 AND REMITTED TO THE  
3 DEPARTMENT, LESS ANY REFUNDS AND CREDITS PAID DURING THE PRIOR  
4 MONTH, PLUS THE PROPORTIONATE SHARE OF THE INTEREST EARNED ON  
5 MONEYS CREDITED TO THE LOCAL SALES AND USE TAX FUND AS A RESULT  
6 OF AMOUNTS COLLECTED ON BEHALF OF THAT CITY UNDER SECTION 503.

7 CHAPTER 6

8 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION

9 AUTHORITY TAX

10 SECTION 601. IMPOSITION OF AUTHORITY TAX.

11 (A) TAX IMPOSED.--NOTWITHSTANDING ANYTHING CONTAINED IN THE  
12 ACT OF AUGUST 5, 1932 (P.L.45, NO.45), REFERRED TO AS THE  
13 STERLING ACT, THE GOVERNING BODY OF ANY CITY IS HEREBY  
14 AUTHORIZED TO ENACT:

15 (1) THE TAX AUTHORIZED BY CHAPTER 5 OF THIS ACT;

16 (2) A REALTY TRANSFER TAX; AND

17 (3) A WAGE AND EARNINGS TAX IMPOSED ON RESIDENTS OF SUCH  
18 CITY, OR ANY COMBINATION OF SUCH TAXES, EXCLUSIVELY FOR  
19 PURPOSES OF THE AUTHORITY.

20 THE RATE OF ANY TAX WHICH IS ENACTED FOR THE AUTHORITY PURSUANT  
21 TO THIS ACT, WHEN COMBINED WITH THE RATE OF THE SAME TAX, IF  
22 ANY, ENACTED BY THE CITY COUNCIL FOR CITY GENERAL REVENUE  
23 PURPOSES, SHALL NOT EXCEED THE MAXIMUM TAX RATE FOR SUCH TAX, IF  
24 ANY, ESTABLISHED BY THE GENERAL ASSEMBLY. ANY TAX ENACTED  
25 PURSUANT TO THIS SECTION SHALL BE KNOWN AS THE PENNSYLVANIA  
26 INTERGOVERNMENTAL COOPERATION AUTHORITY TAX.

27 (B) CONTENT OF TAX ORDINANCE.--IN ANY ORDINANCE ENACTING  
28 SUCH TAXES THE CITY SHALL PLEDGE TO AND AGREE WITH EACH AND  
29 EVERY OBLIGEE OF THE AUTHORITY ACQUIRING BONDS SECURED BY AN  
30 AUTHORITY PLEDGE OF SUCH TAXES THAT THE CITY WILL NOT REPEAL THE

1 TAX OR REDUCE THE RATE OF SUCH TAX IMPOSED FOR SUCH AUTHORITY  
2 UNTIL ALL BONDS SO SECURED BY THE PLEDGE OF THE AUTHORITY,  
3 TOGETHER WITH THE INTEREST THEREON, ARE FULLY PAID OR PROVIDED  
4 FOR. ONCE THE TAXES AUTHORIZED TO BE ENACTED BY THIS SECTION ARE  
5 IMPOSED BY THE CITY, THE REVENUES FROM SUCH TAXES SHALL BE  
6 REVENUES AND PROPERTY OF THE AUTHORITY AND SHALL NOT BE REVENUES  
7 OR PROPERTY OF THE CITY. SUCH TAXES SHALL BE COLLECTED BY THE  
8 DEPARTMENT OF REVENUE AND SHALL NOT BE SUBJECT TO THE  
9 APPROPRIATIONS BY THE GOVERNING BODY OF THE CITY OR BY THE  
10 GENERAL ASSEMBLY.

11 SECTION 602. DURATION OF TAX.

12 ANY TAX IMPOSED UNDER THIS CHAPTER SHALL CONTINUE IN EFFECT  
13 UNTIL ALL BONDS OF THE AUTHORITY WHICH ARE SECURED BY THE  
14 AUTHORITY'S PLEDGE OF SUCH TAX REVENUES ARE NO LONGER  
15 OUTSTANDING. FOR AS LONG AS ANY SUCH BONDS REMAIN OUTSTANDING,  
16 NO GOVERNING BODY OF A CITY SHALL REPEAL ANY ORDINANCE OR REDUCE  
17 THE RATE OF TAX IMPOSED FOR THE AUTHORITY UNDER THIS ACT.

18 SECTION 603. CREATION OF FUND AND DISBURSEMENT.

19 (A) PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX  
20 FUND.--THERE IS HEREBY CREATED A PENNSYLVANIA INTERGOVERNMENTAL  
21 COOPERATION AUTHORITY TAX FUND. THE STATE TREASURER SHALL BE  
22 CUSTODIAN OF THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION  
23 AUTHORITY TAX FUND, WHICH SHALL BE SUBJECT TO THE PROVISIONS OF  
24 LAW APPLICABLE TO FUNDS LISTED IN SECTION 302 OF THE ACT OF  
25 APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE. TAXES  
26 IMPOSED PURSUANT TO SECTION 601 OF THIS ACT SHALL BE RECEIVED BY  
27 THE STATE TREASURER AND, ALONG WITH INTEREST AND PENALTIES, LESS  
28 ANY REFUNDS AND CREDITS PAID, SHALL BE CREDITED TO THE  
29 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX FUND  
30 NOT LESS FREQUENTLY THAN WEEKLY. MONEYS PAID INTO THE

1 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX FUND  
2 SHALL BE DISTRIBUTED AS PROVIDED IN SUBSECTION (B). ALL MONEYS  
3 IN THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX  
4 FUND, INCLUDING, BUT NOT LIMITED TO, MONEYS PAID INTO THE FUND  
5 PURSUANT TO THIS SECTION, PRIOR YEAR ENCUMBRANCES AND THE  
6 INTEREST EARNED THEREON, SHALL NOT LAPSE OR BE TRANSFERRED TO  
7 ANY OTHER FUND, BUT SHALL REMAIN IN THE PENNSYLVANIA  
8 INTERGOVERNMENTAL COOPERATION AUTHORITY TAX FUND, SHALL AT ALL  
9 TIMES BE THE PROPERTY OF THE AUTHORITY, AND MUST BE USED  
10 EXCLUSIVELY AS PROVIDED IN THIS ACT. PENDING THEIR DISBURSEMENT  
11 TO THE AUTHORITY, MONEYS RECEIVED ON BEHALF OF OR DEPOSITED INTO  
12 THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX  
13 FUND SHALL BE INVESTED OR REINVESTED AS ARE OTHER FUNDS IN THE  
14 CUSTODY OF THE STATE TREASURER IN THE MANNER PROVIDED BY LAW.  
15 ALL EARNINGS RECEIVED FROM THE INVESTMENT OR DEPOSIT OF SUCH  
16 FUNDS SHALL BE CREDITED TO THE PENNSYLVANIA INTERGOVERNMENTAL  
17 COOPERATION AUTHORITY TAX FUND.

18 (B) DISBURSEMENT TO PENNSYLVANIA INTERGOVERNMENTAL  
19 COOPERATION AUTHORITY.--AT LEAST WEEKLY, THE STATE TREASURER  
20 SHALL DISBURSE THE TOTAL AMOUNT OF MONEYS WHICH ARE, AS OF THE  
21 CLOSE OF BUSINESS OF THE PREVIOUS WEEK, CONTAINED IN THE  
22 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX FUND AS  
23 A RESULT OF THE TAX IMPOSED PURSUANT TO SECTION 601 TO OR UPON  
24 THE ORDER OF THE AUTHORITY AND AS PROVIDED IN SECTION 312. THE  
25 AMOUNT TO BE DISBURSED BY THE TREASURY DEPARTMENT SHALL BE EQUAL  
26 TO THE TAX, PLUS INTEREST AND PENALTIES, COLLECTED IN THAT CITY  
27 UNDER SECTION 601 AND REMITTED TO THE DEPARTMENT, LESS ANY  
28 REFUNDS AND CREDITS PAID DURING THE PRIOR WEEK, PLUS THE  
29 PROPORTIONATE SHARE OF THE INTEREST EARNED ON MONEYS TO BE  
30 CREDITED OR CREDITED TO THE PENNSYLVANIA INTERGOVERNMENTAL

1 COOPERATION AUTHORITY TAX FUND AS A RESULT OF AMOUNTS COLLECTED  
2 IN THE CITY OF THE FIRST CLASS UNDER SECTION 601. THE STATE  
3 TREASURER SHALL MAKE THE INITIAL DISBURSEMENT PURSUANT TO THIS  
4 SUBSECTION AT THE END OF THE THIRD WEEK OF THE MONTH IMMEDIATELY  
5 FOLLOWING THE EFFECTIVE DATE OF THIS CHAPTER.

6 SECTION 604. COLLECTION OF PENNSYLVANIA INTERGOVERNMENTAL  
7 COOPERATION AUTHORITY TAXES.

8 (A) GENERAL RULE.--THE DEPARTMENT OF REVENUE IS CHARGED WITH  
9 THE ADMINISTRATION, ENFORCEMENT AND COLLECTION OF ANY TAX  
10 IMPOSED PURSUANT TO SECTION 601 OF THIS CHAPTER AND SHALL DO SO  
11 WITH RESPECT TO THE TAX AUTHORIZED TO BE IMPOSED BY CHAPTER 5 OF  
12 THIS ACT, UNDER THE ADMINISTRATION, ENFORCEMENT AND COLLECTION  
13 PROCEDURES AND SUBJECT TO THE FINES, FORFEITURES, PENALTIES AND  
14 INTEREST CHARGES ALL AS ARE PROVIDED FOR IN THE ACT OF MARCH 4,  
15 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, AND  
16 WITH RESPECT TO ANY OTHER TAX ENACTED UNDER THE AUTHORITY OF  
17 THIS CHAPTER, UNDER THE ADMINISTRATION, ENFORCEMENT AND  
18 COLLECTION PROCEDURES AND SUBJECT TO THE FINES, FORFEITURES,  
19 PENALTIES AND INTEREST CHARGES AS SHALL BE SPECIFIED IN THE  
20 ORDINANCE ENACTING SUCH TAX.

21 (B) APPOINTMENT OF AGENTS.--EXCEPT FOR THE COLLECTION AND  
22 ENFORCEMENT OF THE TAX AUTHORIZED TO BE IMPOSED BY CHAPTER 5,  
23 THE DEPARTMENT OF REVENUE IS AUTHORIZED TO APPOINT AS ITS  
24 AGENTS, TAX OFFICERS, CLERKS, COLLECTORS AND OTHER ASSISTANTS,  
25 INCLUDING REVENUE AND LEGAL DEPARTMENTS OF CITIES IMPOSING A TAX  
26 UNDER THIS CHAPTER, TO COLLECT AND ENFORCE ANY TAX, INCLUDING  
27 INTEREST AND PENALTIES, IMPOSED UNDER AUTHORITY OF THIS CHAPTER;  
28 PROVIDED, HOWEVER, THAT ANY MONEYS COLLECTED BY ANY SUCH AGENT  
29 SHALL NOT BE COMMINGLED WITH ANY OTHER FUNDS OF SUCH AGENT AND  
30 MUST BE SEGREGATED AND PAID OVER TO THE DEPARTMENT OF REVENUE IN

1 THE MANNER REQUIRED BY THIS CHAPTER.

2 CHAPTER 7

3 MISCELLANEOUS PROVISIONS

4 SECTION 701. APPROPRIATION.

5 THE SUM OF \$150,000 IS HEREBY APPROPRIATED TO THE  
6 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY FOR THE  
7 FISCAL YEAR JULY 1, 1990, TO JUNE 30, 1991, FOR THE PURPOSE OF  
8 PROVIDING OPERATING FUNDS FOR THE PENNSYLVANIA INTERGOVERNMENTAL  
9 COOPERATION AUTHORITY.

10 SECTION 702. ORIGINAL AND EXCLUSIVE JURISDICTION OF SUPREME  
11 COURT.

12 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE  
13 JURISDICTION TO HEAR ANY CHALLENGE TO OR TO RENDER A DECLARATORY  
14 JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS ACT, THE  
15 CONTRACTUAL RIGHTS OF THE PARTIES RELATING TO BONDS ISSUED  
16 PURSUANT TO THIS ACT, OR ANY ACTION OF THE AUTHORITY IN ISSUING  
17 OR ATTEMPTING TO ISSUE BONDS, WHETHER WITH RESPECT TO THE  
18 VALIDITY OF THE BONDS, PROPER AUTHORIZATION OF THE BONDS, THE  
19 VALIDITY OF ANY COVENANTS, AGREEMENTS OR CONTRACTS PROVIDED BY  
20 ANY RESOLUTION AUTHORIZING THE BONDS, OR OTHERWISE OR ANY ACTION  
21 OF A CITY INTO AGREEMENTS WITH THE AUTHORITY IN CONNECTION WITH  
22 THE ISSUANCE OF BONDS BY THE AUTHORITY. THE SUPREME COURT IS  
23 AUTHORIZED TO TAKE SUCH ACTION AS IT DEEMS APPROPRIATE,  
24 CONSISTENT WITH THE SUPREME COURT RETAINING JURISDICTION OVER  
25 SUCH A MATTER, TO FIND FACTS, OR TO EXPEDITE A FINAL JUDGMENT IN  
26 CONNECTION WITH SUCH A CHALLENGE OR REQUEST FOR DECLARATORY  
27 RELIEF.

28 SECTION 703. GENERAL RIGHTS AND PROHIBITIONS.

29 NOTHING IN THIS ACT SHALL LIMIT THE RIGHTS OR IMPAIR THE  
30 OBLIGATIONS OF ANY CITY TO COMPLY WITH THE PROVISIONS OF ANY



1 CONTRACT IN EFFECT ON THE EFFECTIVE DATE OF THIS ACT, OR SHALL  
2 IN ANY WAY IMPAIR THE RIGHTS OF THE OBLIGEEES OF ANY CITY WITH  
3 RESPECT TO ANY SUCH CONTRACT.

4 SECTION 704. NONDISCRIMINATION.

5 THE AUTHORITY SHALL COMPLY IN ALL RESPECTS WITH THE  
6 NONDISCRIMINATION AND CONTRACT COMPLIANCE PLANS USED BY THE  
7 DEPARTMENT OF GENERAL SERVICES, TO ASSURE THAT ALL PERSONS ARE  
8 ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT AND CONTRACTING  
9 BY THE AUTHORITY AND ITS CONTRACTORS, SUBCONTRACTORS, ASSIGNEES,  
10 LESSEES, AGENTS, VENDORS AND SUPPLIERS.

11 SECTION 705. CONSTRUCTION OF ACT.

12 (A) LIBERAL CONSTRUCTION.--THIS ACT, BEING NECESSARY FOR THE  
13 WELFARE OF THE COMMONWEALTH AND ITS INHABITANTS, SHALL BE  
14 LIBERALLY CONSTRUED TO EFFECT THE PURPOSES THEREOF.

15 (B) SEVERABILITY.--IF ANY PROVISION OF THE TITLE OR ANY  
16 CHAPTER, SECTION OR CLAUSE OF THIS ACT, OR THE APPLICATION  
17 THEREOF TO ANY PERSON, PARTY, CORPORATION, PUBLIC OR PRIVATE,  
18 SHALL BE JUDGED INVALID BY A COURT OF COMPETENT JURISDICTION,  
19 SUCH ORDER OR JUDGMENT SHALL BE CONFINED IN ITS OPERATION TO THE  
20 CONTROVERSY IN WHICH IT WAS RENDERED, AND SHALL NOT AFFECT OR  
21 INVALIDATE THE REMAINDER OF ANY PROVISION OF THE TITLE OR ANY  
22 CHAPTER OR ANY SECTION OR CLAUSE OF THIS ACT, OR THE APPLICATION  
23 OF ANY PART THEREOF TO ANY OTHER PERSON, PARTY, CORPORATION,  
24 PUBLIC OR PRIVATE, OR CIRCUMSTANCE, AND, TO THIS END, THE  
25 PROVISIONS OF THE TITLE OR ANY CHAPTER, SECTION OR CLAUSE OF  
26 THIS ACT, HEREBY ARE DECLARED TO BE SEVERABLE. IT IS HEREBY  
27 DECLARED AS THE LEGISLATIVE INTENT THAT THIS ACT WOULD HAVE BEEN  
28 ADOPTED HAD ANY PROVISION DECLARED UNCONSTITUTIONAL NOT BEEN  
29 INCLUDED HEREIN.

30 SECTION 706. LIMITATION OF AUTHORITY POWERS.

1       NOTHING CONTAINED IN THIS ACT SHALL BE CONSTRUED TO CONFER  
2       UPON THE AUTHORITY ANY POWERS WITH RESPECT TO SCHOOL DISTRICTS  
3       OF THE FIRST CLASS OR TO AMEND, REPEAL OR SUPERSEDE IN ANY  
4       MANNER THE ACT OF AUGUST 9, 1963 (P.L.643, NO.341), KNOWN AS THE  
5       FIRST CLASS CITY PUBLIC EDUCATION HOME RULE ACT.

6       SECTION 707.   REPEALS.

7       (A)   PARTIAL.--THE FOLLOWING ACTS AND PARTS OF ACTS ARE  
8       REPEALED TO THE EXTENT SPECIFIED:

9       ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE  
10      FINANCIALLY DISTRESSED MUNICIPALITIES ACT, AS TO CITIES OF THE  
11      FIRST CLASS.

12      SECTION 5(A) OF ARTICLE XVII OF THE ACT OF JUNE 25, 1919  
13      (P.L.581, NO.274), ENTITLED "AN ACT FOR THE BETTER GOVERNMENT OF  
14      CITIES OF THE FIRST CLASS OF THIS COMMONWEALTH," ABSOLUTELY,  
15      EXCEPT AS TO LOANS OR NOTES ISSUED BY A CITY PURSUANT TO SECTION  
16      5(A) OF ARTICLE XVII OF THE ACT WHICH REMAIN OUTSTANDING ON THE  
17      EFFECTIVE DATE OF THIS ACT.

18      (B)   GENERAL.--ALL OTHER ACTS OR PARTS OF ACTS ARE REPEALED  
19      INSOFAR AS THEY ARE INCONSISTENT WITH THIS ACT.

20      SECTION 708.   EFFECTIVE DATE.

21      THIS ACT SHALL TAKE EFFECT IMMEDIATELY.