

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2525 Session of
2010

INTRODUCED BY BRADFORD, BRIGGS, BROWN, CALTAGIRONE, DePASQUALE,
HORNAMAN, HOUGHTON, JOSEPHS, LEVDANSKY, MANN, McGEEHAN,
MILLER, SANTARSIERO, SIPTROTH, STURLA, THOMAS, VITALI, WAGNER
AND MURPHY, AUGUST 2, 2010

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, AUGUST 2, 2010

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for definitions; and authorizing the financing of
4 clean energy improvements by municipal authorities and the
5 assessment of the cost of financing against the property
6 benefited or improved.

7 The General Assembly finds and declares as follows:

8 (1) The production and efficient use of energy will
9 continue to play a central role in the future of this
10 Commonwealth and the nation as a whole.

11 (2) The development, production and efficient use of
12 renewable energy will advance the security, economic well-
13 being and public and environmental health of this
14 Commonwealth and will contribute to the energy independence
15 of our nation.

16 (3) The financing of clean energy improvements and the
17 powers conferred and expenditures made pursuant to this act
18 will serve a valid public purpose. This act is expressly
19 declared to be in the public interest.

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

3 Section 1. Section 5602 of Title 53 of the Pennsylvania
4 Consolidated Statutes is amended by adding definitions to read:
5 § 5602. Definitions.

6 The following words and phrases when used in this chapter
7 shall have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 * * *

10 "Clean energy improvements." Energy efficiency improvements
11 and renewable energy improvements on residential, commercial or
12 industrial real property and in buildings, whether the real
13 property or buildings are privately or publicly owned.

14 * * *

15 "Green wet weather infrastructure improvements."
16 Improvements on residential, commercial or industrial real
17 property and in buildings, whether the real property or
18 buildings are privately or publicly owned, that maintain,
19 restore or mimic natural systems to infiltrate, evapotranspire
20 or recycle storm water.

21 * * *

22 "Water efficiency improvements." Improvements designed to
23 decrease water demand and usage on residential, commercial or
24 industrial real property and in buildings, whether the real
25 property or buildings are privately or publicly owned.

26 * * *

27 Section 2. Section 5607(b)(2) of Title 53 is amended and
28 subsections (a) and (d) are amended by adding paragraphs to
29 read:

30 § 5607. Purposes and powers.

1 (a) Scope of projects permitted.--Every authority
2 incorporated under this chapter shall be a body corporate and
3 politic and shall be for the purposes of financing working
4 capital; acquiring, holding, constructing, financing, improving,
5 maintaining and operating, owning or leasing, either in the
6 capacity of lessor or lessee, projects of the following kind and
7 character and providing financing for insurance reserves:

8 * * *

9 (18) Clean energy improvements, water efficiency
10 improvements and green wet weather infrastructure
11 improvements.

12 (b) Limitations.--This section is subject to the following
13 limitations:

14 * * *

15 (2) The purpose and intent of this chapter being to
16 benefit the people of the Commonwealth by, among other
17 things, increasing their commerce, health, safety and
18 prosperity and not to unnecessarily burden or interfere with
19 existing business by the establishment of competitive
20 enterprises, none of the powers granted by this chapter shall
21 be exercised in the construction, financing, improvement,
22 maintenance, extension or operation of any project or
23 projects or providing financing for insurance reserves which
24 in whole or in part shall duplicate or compete with existing
25 enterprises serving substantially the same purposes. This
26 limitation shall not apply to the exercise of the powers
27 granted under this section:

28 (i) for facilities and equipment for the collection,
29 removal or disposal of ashes, garbage, rubbish and other
30 refuse materials by incineration, landfill or other

1 methods if each municipality organizing or intending to
2 use the facilities of an authority having such powers
3 shall declare by resolution or ordinance that it is
4 desirable for the health and safety of the people of such
5 municipality that it use the facilities of the authority
6 and state if any contract between such municipality and
7 any other person, firm or corporation for the collection,
8 removal or disposal of ashes, garbage, rubbish and other
9 refuse material has by its terms expired or is terminable
10 at the option of the municipality or will expire within
11 six months from the date such ordinance becomes
12 effective;

13 (ii) for industrial development projects if the
14 authority does not develop industrial projects which will
15 compete with existing industries;

16 (iii) for authorities created for the purpose of
17 providing business improvements and administrative
18 services if each municipality organizing an authority for
19 such a project shall declare by resolution or ordinance
20 that it is desirable for the entire local government unit
21 to improve the business district;

22 (iv) to hospital projects or health centers to be
23 leased to or financed with loans to public hospitals,
24 nonprofit corporation health centers or nonprofit
25 hospital corporations serving the public or to school
26 building projects and facilities to be leased to or
27 financed with loans to private, nonprofit, nonsectarian
28 secondary schools, colleges and universities, State-
29 related universities and community colleges or to
30 facilities, as limited under the provisions of this

section, to produce steam or to generate electric power if each municipality organizing an authority for such a project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such facilities to have such facilities provided by or financed through an authority;

(v) to provide financing for insurance reserves if each municipality or authority intending to use any proceeds thereof shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in such local government unit or served by such authority; [or]

(vi) to projects for financing working capital[.];
or

(vii) for clean energy improvements, water efficiency improvements and green wet weather infrastructure improvements.

* * *

(d) Powers.--Every authority may exercise all powers necessary or convenient for the carrying out of the purposes set forth in this section, including, but without limiting the generality of the foregoing, the following rights and powers:

* * *

(34) (i) In the case of an authority undertaking clean energy improvement, water efficiency improvement and green wet weather infrastructure improvement projects, to assess the cost of such financing, plus reasonable administrative costs and at a reasonable rate of interest, against property benefited or improved thereby to the extent of such benefits, provided that the

1 assessments shall not be made unless all owners of such
2 property have consented in writing to the financing and
3 assessment. The authority may, by resolution, authorize
4 payment of assessments in equal installments over a fixed
5 period of time.

6 (ii) Except as otherwise provided in this paragraph,
7 claims to secure the payment of assessments shall be
8 entered in the prothonotary's office of the county at the
9 same time and in the same form and shall be filed and
10 collected in the same manner as municipal claims are
11 filed and collected pursuant to the act of May 16, 1923
12 (P.L.207, No.153), referred to as the Municipal Claim and
13 Tax Lien Law. Notwithstanding the provisions of this
14 paragraph as to installment payments and the collection
15 thereof, the claim shall be filed for the entire amount
16 of the assessment. The lien for the assessment shall
17 remain on the property notwithstanding any conveyance of
18 the property and may be enforced against a subsequent
19 purchaser to the extent of any amounts due and unpaid in
20 accordance with this paragraph and the resolutions of the
21 authority. The authority shall provide, upon request of
22 any buyer of the property, the remaining amount required
23 for full satisfaction of the lien. Nothing in this
24 chapter shall preclude early payment of the assessment
25 and reasonable administrative costs without penalty.

26 (iii) In the case of a default in the payment of any
27 installment, the authority shall not obtain a judgment or
28 otherwise initiate collection proceedings for any amount
29 in excess of installments that are delinquent for a
30 period of 60 days after the date due plus reasonable

1 attorney fees and costs of collection as may be
2 authorized by law.

3 (iv) The authority may request the municipality
4 within which the authority lies to include the amount of
5 any installment payment of an assessment on the property
6 tax bill for the property benefited by improvements under
7 this paragraph. Upon receiving the request, the
8 municipality shall direct the tax collector for the
9 municipality to collect installments and remit all
10 collected amounts to the authority in accordance with the
11 act of May 25, 1945 (P.L.1050, No.394), known as the
12 Local Tax Collection Law. The tax collector shall be
13 entitled to the same commission for the collection of
14 assessments as for collection of the property tax of the
15 municipality. The amount of the commission shall be an
16 administrative cost of the improvement.

17 * * *

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