

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1008 Session of
2015

INTRODUCED BY MURT, COHEN, DAVIS, GIBBONS, HARKINS, JAMES,
M. K. KELLER, LONGIETTI AND ROSS, APRIL 20, 2015

REFERRED TO COMMITTEE ON FINANCE, APRIL 20, 2015

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or
26 collect taxes, or to make returns or reports under the laws
27 imposing taxes for State purposes, or to pay license fees or
28 other moneys to the Commonwealth, or any agency thereof,
29 every State depository and every debtor or creditor of the
30 Commonwealth," in Local Government Capital Project Loan Fund,
31 further providing for assistance to municipalities.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 1603-D of the act of April 9, 1929
3 (P.L.343, No.176), known as The Fiscal Code, amended July 18,
4 2013 (P.L.574, No.71), is amended to read:

5 Section 1603-D. Assistance to Municipalities.--(a) The
6 department is hereby authorized, upon application of a
7 municipality, to make loans to the municipality for the
8 following purposes and in the following amounts:

9 1. Purchasing equipment. The amount of a loan made for
10 purchasing equipment shall not exceed fifty thousand dollars
11 (\$50,000) for any single piece of equipment or fifty per centum
12 of the total cost of the piece of equipment, whichever is less.

13 2. Purchasing, constructing, renovating or rehabilitating
14 facilities. The amount of a loan made for purchasing,
15 constructing, renovating or rehabilitating facilities shall not
16 exceed one hundred thousand dollars (\$100,000) for any single
17 facility or fifty per centum of the total cost for purchasing,
18 constructing, renovating or rehabilitating the facility,
19 whichever is less.

20 (b) Loans made by the department for the purchase of
21 equipment shall be for a period not to exceed the useful life of
22 the equipment, and loans made for the purchase, construction,
23 renovation or rehabilitation of facilities shall be for a period
24 of not more than [fifteen] twenty years. Loans shall be subject
25 to the payment of interest at two per centum per annum and shall
26 be subject to such security as shall be determined by the
27 department. The total amount of interest earned by the
28 investment or reinvestment of all or any part of the principal
29 of any loan shall be returned to the department and transferred
30 to the fund and shall not be credited as payment of principal or

1 interest on the loan. The minimum amount of any loan shall be
2 one thousand dollars (\$1,000). The municipality shall comply
3 with the approval requirements of 53 Pa.C.S. Ch. 80 Subch. C
4 (relating to procedure for securing approval of electors).

5 (c) Every application for a loan under this article shall be
6 accompanied by a financial statement of the municipality and a
7 financial plan to show how the loan will be repaid. Every
8 application shall be accompanied by evidence sufficient to show
9 that all costs, except the amount of the loan, will be met by
10 assets or revenues of the municipality, grants or loans from
11 other sources or in-kind contributions or services.

12 (d) Loans under this article shall be used for purchasing
13 equipment and for purchasing, constructing, renovating or
14 rehabilitating facilities and shall not be used for operating
15 expenses or for the refinancing or reduction of any debt or
16 obligation incurred prior to the effective date of this article.

17 (e) Loans made by the department shall be paid from the fund
18 to municipalities in accordance with rules and regulations
19 promulgated by the department.

20 (f) All payments of interest on loans and the principal
21 thereof shall be deposited by the department in the fund.

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