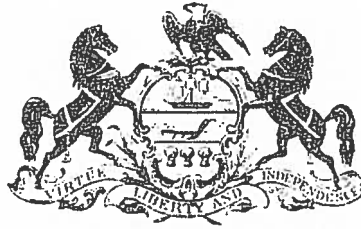


THOMAS P. MURT, MEMBER
152ND LEGISLATIVE DISTRICT

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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

URBAN AFFAIRS,
REPUBLICAN CHAIRMAN, SUBCOMMITTEE ON
FIRST CLASS CITIES
EDUCATION
VETERANS & EMERGENCY PREPAREDNESS

February 7, 2011

MEMORANDUM

Subject: Proposed Legislation
To: All House Members
From: Representative Thomas P. Murt
152nd Legislative District

I plan to introduce legislation to amend the Local Government Capital Project Loan Fund Act (found within the "Fiscal Code") to increase the maximum amount of loans under the program.

The Local Government Capital Project Loan Program provides low interest (2%) loans to counties and municipalities with a population of 12,000 or less. These loans may be made to purchase equipment and to purchase, construct or renovate facilities. The maximum amount of loans for equipment is \$25,000, or 50% of the total cost, whichever is less, and the maximum amount of loans for facilities is \$50,000, or 50% of the total cost, whichever is less. **My legislation would increase the maximum amount of equipment loans to \$50,000 and the maximum amount of facilities loans to \$100,000.** Unfortunately, other than a one-year temporary provision to increase the loan amounts, these limits have not been changed since the program was enacted in 1990.

As you may know, HB 1992 of the Session of 2005-06 increased the amounts; however, due to a Senate amendment to this bill, the increases are only effective for one fiscal year. House Bill 3055, which was later introduced to remove the temporary increase, was not voted before the 05-06 session ended last November.

A revolving loan fund, the Local Government Capital Project Loan Fund is of vital importance to small counties and municipalities that cannot afford to borrow money at conventional loan rates. The program provides a means by which small local governments may obtain loan funds to maintain and improve municipal services at lower costs. If you wish to cosponsor this legislation, kindly e-mail Amy Bossart at ABossart@pahousegop.com.

TM/ab