

SECOND CLASS TOWNSHIP CODE - OPERATING RESERVE FUND

Act of Dec. 23, 2013, P.L. 1268, No. 133

Cl. 73

Session of 2013

No. 2013-133

SB 1046

AN ACT

Amending the act of May 1, 1933 (P.L.103, No.69), entitled, as reenacted and amended, "An act concerning townships of the second class; and amending, revising, consolidating and changing the law relating thereto," further providing for the operating reserve fund.

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

Section 1. Section 1508.1 of the act of May 1, 1933 (P.L.103, No.69), known as The Second Class Township Code, reenacted and amended November 9, 1995 (P.L.350, No.60), is amended to read:

Section 1508.1. Operating Reserve Fund.--(a) The board of supervisors shall have the power to create and maintain a separate operating reserve fund in order to minimize future revenue shortfalls and deficits, provide greater continuity and predictability in the funding of vital government services, minimize the need to increase taxes to balance the budget in times of fiscal distress, provide the capacity to undertake long-range financial planning and develop fiscal resources to meet long-term needs.

(b) The board of supervisors may annually make appropriations from the general township fund to the operating reserve fund, but no appropriation shall be made to the operating reserve fund if the effect of the appropriation would cause the fund to exceed [five] **twenty-five** per centum of the estimated revenues of the township's general fund in the current fiscal year.

(c) The board of supervisors may at any time by resolution make appropriations from the operating reserve fund for the following purposes only:

(1) to meet emergencies involving the health, safety or welfare of the residents of the township;

(2) to counterbalance potential budget deficits resulting from shortfalls in anticipated revenues or program receipts from whatever source; [or]

(2.1) to counterbalance potential budget deficits resulting from increases in anticipated costs for goods or services; or

(3) to provide for anticipated operating expenditures related either to the planned growth of existing projects or programs or to the establishment of new projects or programs if for each such project or program appropriations have been made and allocated to a separate restricted account established within the operating reserve fund.

(d) The operating reserve fund shall be invested, reinvested and administered in a manner consistent with the provisions of section 3204 relating to the investment of township funds generally.

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

APPROVED--The 23rd day of December, A.D. 2013.

TOM CORBETT