

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 669 Session of 1997

INTRODUCED BY ROBBINS, CORMAN, THOMPSON, STOUT AND AFFLERBACH, MARCH 12, 1997

AS AMENDED ON SECOND CONSIDERATION, JUNE 3, 1997

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, further providing for business <—
3 improvement districts AUTOMATIC CERTIFICATION, for <—
4 definitions and, FOR APPLICABILITY, FOR ORDINANCES ON LEASE <—
5 RENTAL DEBT, for small borrowing for capital purposes AND FOR <—
6 MANAGEMENT OF FUNDS; making a repeal; and making editorial
7 changes.

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

10 Section 1. Sections 1385(a), 2163(a)(1)(ii), 2168(B) AND <—
11 (C), 2328, 2329, 2515, 2522(b), 2536, 2543, 2921(c), 2943(b),
12 2951, 2965, 2972 and 2984(b) of Title 53 of the Pennsylvania
13 Consolidated Statutes, added December 19, 1996 (P.L.1158, <—
14 No.177), are amended to read:

15 § 1385. Local Government Records Committee.

16 (a) Establishment.--There shall be established under the
17 commission the Local Government Records Committee which shall
18 consist of the Auditor General, the State Treasurer, the General
19 Counsel, the Executive Director of the Historical and Museum
20 Commission, the Secretary of Community [Affairs] and Economic

1 Development and five other members to be appointed by the
2 Governor to represent each of the following municipal
3 associations: the League of Cities, the State Association of
4 Boroughs, the State Association of Township Commissioners, the
5 State Association of Township Supervisors and the Municipal
6 Authorities' Association. Each ex officio member of the
7 committee may designate in writing a representative to act in
8 place of the member. The Secretary of Community [Affairs] and
9 Economic Development shall serve as chairman and the executive
10 director of the commission shall serve as secretary. Meetings of
11 the committee shall be at the call of the chairman.

12 * * *

13 § 2163. Commission members.

14 (a) Selection.--The commission shall be composed of 20
15 members as follows:

16 (1) The following members shall serve by virtue of their
17 office:

18 * * *

19 (ii) The Secretary of Community [Affairs] and
20 Economic Development.

21 * * *

22 § 2168. AUTOMATIC CERTIFICATION.

←

23 * * *

24 (B) CAMPUS OR UNIVERSITY POLICE.--ANY CAMPUS OR UNIVERSITY
25 POLICE OFFICER WHO, AS OF [THE EFFECTIVE DATE OF THIS
26 SUBSECTION] AUGUST 27, 1993, HAS SUCCESSFULLY COMPLETED A BASIC
27 TRAINING COURSE SIMILAR TO THAT REQUIRED UNDER THIS SUBCHAPTER
28 SHALL, AFTER REVIEW BY THE COMMISSION, BE CERTIFIED AS HAVING
29 MET THE BASIC TRAINING REQUIREMENTS OF THIS SUBCHAPTER. ANY
30 CAMPUS OR UNIVERSITY POLICE OFFICER WHO, AS OF [THE EFFECTIVE

1 DATE OF THIS SUBSECTION] AUGUST 27, 1993, HAS NOT SUCCESSFULLY
2 COMPLETED A BASIC TRAINING COURSE SIMILAR TO THAT REQUIRED UNDER
3 THIS SUBCHAPTER WHICH QUALIFIES THE POLICE OFFICER FOR
4 CERTIFICATION UNDER THIS SUBSECTION SHALL BE ABLE TO PERFORM THE
5 DUTIES OF A CAMPUS OR UNIVERSITY POLICE OFFICER UNTIL CERTIFIED
6 BY THE COMMISSION, BUT NO [LONGER] LATER THAN [ONE YEAR FROM THE
7 EFFECTIVE DATE OF THIS SUBSECTION] AUGUST 29, 1994.

8 (C) DEPUTY SHERIFFS IN COUNTIES OF THE SECOND CLASS.--DEPUTY
9 SHERIFFS IN COUNTIES OF THE SECOND CLASS WHO HAVE SUCCESSFULLY
10 COMPLETED THE BASIC TRAINING COURSE UNDER THIS SUBCHAPTER PRIOR
11 TO [THE EFFECTIVE DATE OF THIS SUBSECTION] FEBRUARY 6, 1995,
12 SHALL BE ASSIGNED A CERTIFICATION NUMBER UNDER THIS SUBCHAPTER.

13 § 2328. Assistance from [Department of Environmental Resources]
14 State Conservation Commission.

15 The State Conservation Commission [in the Department of
16 Environmental Resources] shall establish a program of assistance
17 to environmental advisory councils that may include educational
18 services, exchange of information, assignment of technical
19 personnel for natural resources planning assistance and the
20 coordination of State and local conservation activities.

21 § 2329. Assistance from Department of Community [Affairs] and
22 Economic Development.

23 The Department of Community [Affairs] and Economic
24 Development shall establish a program of assistance to
25 environmental advisory councils in planning for the management,
26 use and development of open space and recreation areas.

27 § 2515. Distribution of petition.

28 When the election officials find that the petition as
29 submitted is in proper order, they shall send copies of the
30 initiative petition without signatures thereon to the governing

1 body of the municipalities involved and to the Department of
2 Community [Affairs] and Economic Development.

3 § 2522. Filing of referendum ordinance.

4 * * *

5 (b) Department of Community [Affairs] and Economic
6 Development.--When the ordinances are filed with the election
7 officials, copies of the referendum ordinance shall be
8 immediately filed with the Department of Community [Affairs] and
9 Economic Development.

10 § 2536. Results of election.

11 The election officials shall certify the results of the
12 referendum to the governing bodies and the Department of
13 Community [Affairs] and Economic Development.

14 § 2543. Election returns.

15 The result of the votes cast for members of the board at the
16 municipal election shall be returned by the election officials
17 to the governing bodies of municipalities involved and to the
18 Department of Community [Affairs] and Economic Development.

19 § 2921. Report of findings and recommendations.

20 * * *

21 (c) Filing copy with Department of Community [Affairs] and
22 Economic Development.--A copy of the final report of the
23 commission with its findings and recommendations shall be filed
24 with the Department of Community [Affairs] and Economic
25 Development.

26 * * *

27 § 2943. Petition for referendum or ordinance proposing
28 amendment.

29 * * *

30 (b) Review and disposition of petition.--The election

1 officials shall review the initiative petition as to the number
2 and qualifications of signers. If the petition appears to be
3 defective, the election officials shall immediately notify the
4 persons filing the petition of the defect. When the election
5 officials find that the petition as submitted is in proper
6 order, they shall send copies of the initiative petition without
7 signatures thereon to the governing body and to the Department
8 of Community [Affairs] and Economic Development. The initiative
9 petition as submitted to the election officials, along with a
10 list of signatories, shall be open to inspection in the office
11 of the election officials.

12 § 2951. Conduct and results of election.

13 All elections provided for in this subpart shall be conducted
14 by the election officials for such municipality in accordance
15 with the act of June 3, 1937 (P.L.1333, No.320), known as the
16 Pennsylvania Election Code. The election officials shall count
17 the votes cast and make return thereof to the county board of
18 elections. The results of the election shall be computed by the
19 county board of elections in the same manner as is provided by
20 law for the computation of similar returns. Certificates of the
21 results of the election shall be filed by the county board of
22 elections with the municipal council or board, the Department of
23 State and the Department of Community [Affairs] and Economic
24 Development.

25 § 2965. Recording and filing of charter.

26 The municipal clerk or secretary shall have the new charter
27 as approved by the qualified electors recorded in the ordinance
28 books and shall also file a certified copy of the charter with
29 the Department of State, the Department of Community [Affairs]
30 and Economic Development and the county board of elections.

1 § 2972. Recording and filing of plan.

2 The municipal clerk or secretary shall immediately cause the
3 new plan of government as adopted to be recorded in the
4 ordinance book of the municipality and shall also file a
5 certified copy thereof with the Department of State, the
6 Secretary of Community [Affairs] and Economic Development and
7 the county board of elections.

8 § 2984. Assumption of functions previously assumed by other
9 municipality.

10 * * *

11 (b) Procedure for adjustment and apportionment.--The
12 adjustment and apportionment shall be reduced to a written
13 agreement which shall be filed with the court of common pleas of
14 the county and the Department of Community [Affairs] and
15 Economic Development.

16 * * *

17 Section 2. Section 5402 of Title 53, added December 19, 1996
18 (P.L.1158, No.177), is amended by adding a definition to read: <—

19 § 5402. Definitions.

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

23 * * *

24 "Municipal corporation." Any city, borough or incorporated
25 town.

26 ~~Section 3. The definition of "department" in section~~ <—
27 ~~8002(c), added December 19, 1996 (P.L. —, No.177), is amended~~
28 ~~to read:~~

29 SECTION 3. SECTION 8001(C) OF TITLE 53, ADDED DECEMBER 19, <—
30 1996 (P.L.1158, NO.177), IS AMENDED TO READ:

1 § 8001. SHORT TITLE, SCOPE AND APPLICABILITY OF SUBPART.

2 * * *

3 (C) EXEMPTION OF BONDS AND NOTES FROM TAXATION IN THIS
4 COMMONWEALTH.--[ALL] THIS SECTION IS THE COMMONWEALTH'S PLEDGE
5 TO AND AGREEMENT WITH A PERSON, FIRM, CORPORATION OR FEDERAL
6 AGENCY SUBSCRIBING TO OR ACQUIRING ANY BONDS OR NOTES, INCLUDING
7 TAX ANTICIPATION NOTES ISSUED BY ANY LOCAL GOVERNMENT UNIT UNDER
8 THIS SUBPART [OR], THE ACT OF JUNE 25, 1941 (P.L.159, NO.87),
9 KNOWN AS THE MUNICIPAL BORROWING LAW, OR THE ACT OF JULY 12,
10 1972 (P.L.781, NO.185), KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT
11 ACT, THAT THE BONDS OR NOTES, THEIR TRANSFER AND THE INCOME
12 THEREFROM, INCLUDING ANY PROFITS MADE ON [THE] THEIR SALE
13 [THEREOF], SHALL BE FREE FROM TAXATION FOR STATE AND LOCAL
14 PURPOSES WITHIN THIS COMMONWEALTH. THIS EXEMPTION DOES NOT APPLY
15 TO GIFT, INHERITANCE [AND], SUCCESSION OR ESTATE TAXES [UNDER
16 ARTICLE XXI OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS
17 THE TAX REFORM CODE OF 1971,] OR ANY OTHER TAXES NOT LEVIED
18 DIRECTLY ON THE BONDS OR NOTES, [THE] THEIR TRANSFER, THE INCOME
19 THEREFROM OR THE REALIZATION OF PROFITS ON [THE] THEIR SALE. THE
20 EXEMPTION UNDER THIS SUBSECTION OF PROFITS MADE ON THE SALE OF
21 BONDS OR NOTES DOES NOT APPLY TO BONDS OR NOTES ISSUED ON OR
22 AFTER FEBRUARY 1, 1994, (THE EFFECTIVE DATE OF SECTION 2901 OF
23 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE
24 OF 1971.

25 * * *

26 SECTION 4. THE DEFINITIONS OF "BOND OR NOTE" AND
27 "DEPARTMENT" IN SECTION 8002(C) OF TITLE 53, ADDED DECEMBER 19,
28 1996 (P.L.1158, NO.177), ARE AMENDED TO READ:

29 § 8002. Definitions.

30 * * *

1 (c) Other definitions.--Subject to additional definitions
2 contained in subsequent provisions of this subpart which are
3 applicable to specific provisions of this subpart, the following
4 words and phrases when used in this subpart shall have the
5 meanings given to them in this section unless the context
6 clearly indicates otherwise:

7 * * *

8 "BOND OR NOTE." ANY INSTRUMENT ISSUED BY A LOCAL GOVERNMENT <—
9 UNIT IMPOSING AN OBLIGATION FOR THE REPAYMENT OF MONEY BORROWED,
10 BUT NOT INCLUDING A GUARANTY ENDORSED ON AN INSTRUMENT ISSUED BY
11 AN AUTHORITY. UNLESS OTHERWISE INDICATED, THE TERM DOES NOT
12 INCLUDE TAX ANTICIPATION NOTES. A BOND OR A NOTE WHICH IS A
13 SECURITY AS DEFINED IN 13 PA.C.S. DIV. 8 (RELATING TO INVESTMENT
14 SECURITIES) SHALL BE GOVERNED BY 13 PA.C.S. DIV. 8, AND EVERY
15 OTHER BOND OR NOTE SHALL BE GOVERNED BY [SUBCHAPTER C] 13
16 PA.C.S. DIV. 3 (RELATING TO [PROCEDURE FOR SECURING APPROVAL OF
17 ELECTORS] NEGOTIABLE INSTRUMENTS), EXCEPT IN EACH CASE AS
18 OTHERWISE PROVIDED IN THIS SUBCHAPTER.

19 * * *

20 "Department." The Department of Community [Affairs] and
21 Economic Development of the Commonwealth.

22 * * *

23 ~~Section 4. Section 8109(a)(1) Title 53, added December 19,~~ <—
24 ~~1996 (P.L. —, No.177), is amended to read:~~

25 SECTION 5. SECTIONS 8101, 8103 HEADING AND (A)(4), 8105 <—
26 INTRODUCTORY PARAGRAPH, 8107 AND 8109(A)(1) OF TITLE 53, ADDED
27 DECEMBER 19, 1996 (P.L.1158, NO.177), ARE AMENDED TO READ:

28 § 8101. COMBINING PROJECTS FOR FINANCING OR SERIES OF BONDS OR
29 NOTES FOR SALE.

30 THE GOVERNING BODY OF A LOCAL GOVERNMENT UNIT MAY BY

1 ORDINANCE TAKE ANY OF THE FOLLOWING ACTIONS IN CONNECTION WITH
2 THE ISSUANCE OF BONDS OR NOTES OR THE AUTHORIZATION OF THE
3 INSTRUMENT CREATING LEASE RENTAL DEBT:

4 (1) IN LIEU OF COMBINING TWO OR MORE ITEMS OR ELEMENTS
5 PERMITTED TO BE COMBINED UNDER THE DEFINITION OF "PROJECT" IN
6 SECTION 8002 (RELATING TO DEFINITIONS) AS A SINGLE PROJECT,
7 DESIGNATE ANY ONE OR MORE OF THE ITEMS OR ELEMENTS AS A
8 PROJECT AND COMBINE THE PROJECTS FOR FINANCING PURPOSES BY
9 ONE SERIES OF BONDS OR NOTES. IF THE SERIES OF BONDS OR NOTES
10 ARE REVENUE BONDS OR NOTES, ALL PROJECTS SO COMBINED SHALL BE
11 REVENUE-PRODUCING PROJECTS, ALL OR A PORTION OF THE RATES,
12 RENTALS, RECEIPTS, TOLLS AND CHARGES MAY BE COMBINED, COMMON
13 RESERVE FUNDS MAY BE CREATED AND COMMON OR CROSS COVENANTS
14 MAY BE MADE IN RESPECT OF EACH PROJECT.

15 (2) OFFER FOR SIMULTANEOUS SALE UNDER SEPARATE OR
16 COMBINED BIDS ANY TWO OR MORE SERIES OF BONDS OR NOTES OF ANY
17 TYPE.

18 (3) PROVIDE FOR THE FINANCING OF A PROJECT OR PROJECTS
19 BY THE ISSUANCE, EITHER SIMULTANEOUSLY OR IN SUCCESSION, OF
20 ANY COMBINATION OF INSTRUMENTS EVIDENCING DEBT APPLICABLE TO
21 THE PROJECT OR PROJECTS AND AUTHORIZED BY THIS SUBPART.

22 ANY ORDINANCE REQUIRED BY THIS SECTION MAY BE INCLUDED IN ANY
23 AUTHORIZING ORDINANCE REQUIRED BY SECTION 8103 (RELATING TO
24 ORDINANCE AUTHORIZING ISSUANCE OF [DOCUMENTS] BONDS OR NOTES OR
25 INSTRUMENTS EVIDENCING LEASE RENTAL DEBT).

26 § 8103. ORDINANCE AUTHORIZING ISSUANCE OF [DOCUMENTS] BONDS OR
27 NOTES OR INSTRUMENTS EVIDENCING LEASE RENTAL DEBT.

28 (A) GENERAL RULE.--THE ORDINANCE OR ORDINANCES OR, IN THE
29 CASE OF NOTES ISSUED UNDER SECTION 8109 (RELATING TO SMALL
30 BORROWING FOR CAPITAL PURPOSES), THE RESOLUTION AUTHORIZING THE

1 ISSUANCE OF BONDS OR NOTES OR THE EXECUTION OF A LEASE,
2 GUARANTY, SUBSIDY CONTRACT OR OTHER AGREEMENT EVIDENCING LEASE
3 RENTAL DEBT BY A LOCAL GOVERNMENT UNIT SHALL CONTAIN, IN
4 SUBSTANCE:

5 * * *

6 (4) IN THE CASE OF REVENUE OR GUARANTEED REVENUE BONDS
7 OR NOTES, [THE INCLUSION OF] THERE MAY BE INCLUDED THE
8 MATTERS SET FORTH IN SECTIONS 8105 (RELATING TO ADDITIONAL
9 PROVISIONS IN ORDINANCE AUTHORIZING ISSUANCE OF REVENUE OR
10 GUARANTEED REVENUE BONDS OR NOTES), 8147 (RELATING TO PLEDGE
11 OF REVENUES) AND 8148 (RELATING TO DEEDS OF TRUST AND OTHER
12 AGREEMENTS WITH BONDHOLDERS AND NOTEHOLDERS).

13 * * *

14 § 8105. ADDITIONAL PROVISIONS IN ORDINANCE AUTHORIZING ISSUANCE
15 OF REVENUE OR GUARANTEED REVENUE BONDS OR NOTES.

16 IN ADDITION TO THE PROVISIONS REQUIRED OR PERMITTED BY
17 SECTIONS 8103 (RELATING TO ORDINANCE AUTHORIZING ISSUANCE OF
18 [DOCUMENTS] BONDS OR NOTES OR INSTRUMENTS EVIDENCING LEASE
19 RENTAL DEBT), 8147 (RELATING TO PLEDGE OF REVENUES) AND 8148
20 (RELATING TO DEEDS OF TRUST AND OTHER AGREEMENTS WITH
21 BONDHOLDERS AND NOTEHOLDERS), THE ORDINANCE AUTHORIZING THE
22 ISSUANCE OF REVENUE BONDS OR NOTES OR GUARANTEED REVENUE BONDS
23 OR NOTES MAY ALSO CONTAIN THE FOLLOWING:

24 * * *

25 § 8107. AWARD OF BONDS OR NOTES.

26 WHEN AN ACCEPTABLE PROPOSAL FOR THE PURCHASE OF THE BONDS OR
27 NOTES, OR ANY PART THEREOF OFFERED SEPARATELY, HAS BEEN RECEIVED
28 AND IS IN CONFORMITY WITH THE TERMS OF THE OFFICIAL INVITATION
29 FOR PROPOSALS OR IS AN ACCEPTABLE PROPOSAL AT A NEGOTIATED OR
30 INVITED SALE, AND IS IN COMPLIANCE WITH THE PROVISIONS OF THIS

1 SUBPART, IT MAY BE ACCEPTED BY RESOLUTION OR BY ORDINANCE. IF
2 THE ACCEPTANCE IS MADE BY RESOLUTION, THE ACCEPTANCE SHALL BE
3 CONDITIONAL UPON COMPLIANCE WITH SECTION 8103 (RELATING TO
4 ORDINANCE AUTHORIZING ISSUANCE OF [DOCUMENTS] BONDS OR NOTES OR
5 INSTRUMENTS EVIDENCING LEASE RENTAL DEBT). IF THE ACCEPTANCE IS
6 MADE BY ORDINANCE, THE ORDINANCE SHALL ALSO FIX ANY DETAILS OF
7 THE SERIES OF BONDS OR NOTES BEING SOLD, NOT FIXED BY PRIOR
8 ORDINANCE, AND AWARD THE BONDS OR NOTES, OR THOSE WHICH HAVE
9 BEEN SOLD, TO SPECIFIED PURCHASERS AT PRICES SPECIFIED IN THE
10 ORDINANCE. THESE PROVISIONS MAY BE INCLUDED IN THE ORDINANCE
11 ADOPTED PURSUANT TO SECTION 8103. NOTWITHSTANDING ANY OTHER
12 PROVISION OF THIS SUBPART OR OF ANY OTHER STATUTE, AS BETWEEN
13 THE LOCAL GOVERNMENT UNIT AND THE PURCHASERS, AN AWARDED
14 RESOLUTION OR ORDINANCE SHALL BE EFFECTIVE UPON ITS FINAL
15 ADOPTION OR ENACTMENT BY THE GOVERNING BODY. THE ADVERTISEMENT
16 OF THE ORDINANCE PRIOR TO ENACTMENT SHALL BE SUFFICIENT IF IT
17 DESCRIBES THE ITEMS TO BE COMPLETED FROM THE PROPOSAL.

18 § 8109. Small borrowing for capital purposes.

19 (a) General rule.--Any local government unit may incur debt
20 by resolution rather than by ordinance to be evidenced by notes
21 to provide funds for a project as defined in this subpart
22 without complying with the requirements of Subchapter A of
23 Chapter 82 (relating to Department of Community [Affairs] and
24 Economic Development) if:

25 (1) The aggregate amount of the debt outstanding at any
26 one time shall not exceed the lesser of [\$100,000] \$125,000
27 or 30% of the [borrowing base] nonelectoral debt limit as
28 authorized in section 8022(a) (relating to limitations on
29 incurring of other debt).

30 * * *

1 Section ~~5~~ 6. Chapter 82 Subchapter A heading of Title 53, <—
2 added December 19, 1996 (P.L.1158, No.177), is amended to read: <—

3 SUBCHAPTER A

4 DEPARTMENT OF COMMUNITY [AFFAIRS] AND ECONOMIC DEVELOPMENT

5 SECTION 7. SECTION 8225 OF TITLE 53 IS AMENDED BY ADDING A <—
6 PARAGRAPH TO READ:

7 § 8225. MANAGEMENT OF SINKING AND OTHER FUNDS.

8 THE MANAGEMENT AND CONTROL OF SINKING AND OTHER FUNDS AND
9 INVESTMENTS THEREOF SUBJECT TO THE PROVISIONS OF THIS SUBPART
10 SHALL BE VESTED IN THE GOVERNING BODY OF THE LOCAL GOVERNMENT
11 UNIT EXCEPT:

12 * * *

13 (1.1) TO THE EXTENT OTHERWISE PROVIDED BY THIS SUBPART.

14 * * *

15 Section ~~6~~ 8. Section 409(a) of the act of July 12, 1972 <—
16 (P.L.781, No.185), known as the Local Government Unit Debt Act,
17 as amended October 16, 1996 (P.L.710, No.125), is repealed.

18 Section 7 9. This act shall take effect in 60 days. <—