
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 THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
APRIL 21, 1998

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, further providing for automatic
3 certification, for definitions, for applicability, for
4 ordinances on lease rental debt, for small borrowing for
5 capital purposes and for management of funds; PROVIDING FOR A ←
6 LOAN PROGRAM FOR LOCAL POLICE AGENCIES FUNDED BY A BOND
7 ISSUANCE; ESTABLISHING THE POLICE AGENCY LOAN DIVISION IN THE
8 PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY; CONFERRING POWERS
9 AND DUTIES ON THE SECRETARY OF THE COMMONWEALTH AND THE
10 LEGISLATIVE REFERENCE BUREAU; making a repeal; and making
11 editorial changes.

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

14 Section 1. Sections 1385(a), 2163(a)(1)(ii), 2168(b) and
15 (c), 2328, 2329, 2515, 2522(b), 2536, 2543, 2921(c), 2943(b),
16 2951, 2965, 2972 and 2984(b) of Title 53 of the Pennsylvania
17 Consolidated Statutes, added December 19, 1996 (P.L.1158,
18 No.177), are amended to read:

19 § 1385. Local Government Records Committee.

20 (a) Establishment.--There shall be established under the
21 commission the Local Government Records Committee which shall

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

15 * * *

16 § 2163. Commission members.

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

19 (1) The following members shall serve by virtue of their
20 office:

21 * * *

22 (ii) The Secretary of Community [Affairs] and
23 Economic Development.

24 * * *

25 § 2168. Automatic certification.

26 * * *

27 (b) Campus or university police.--Any campus or university
28 police officer who, as of [the effective date of this
29 subsection] August 27, 1993, has successfully completed a basic
30 training course similar to that required under this subchapter

1 shall, after review by the commission, be certified as having
2 met the basic training requirements of this subchapter. Any
3 campus or university police officer who, as of [the effective
4 date of this subsection] August 27, 1993, has not successfully
5 completed a basic training course similar to that required under
6 this subchapter which qualifies the police officer for
7 certification under this subsection shall be able to perform the
8 duties of a campus or university police officer until certified
9 by the commission, but no [longer] later than [one year from the
10 effective date of this subsection] August 29, 1994.

11 (c) Deputy sheriffs in counties of the second class.--Deputy
12 sheriffs in counties of the second class who have successfully
13 completed the basic training course under this subchapter prior
14 to [the effective date of this subsection] February 6, 1995,
15 shall be assigned a certification number under this subchapter.

16 § 2328. Assistance from [Department of Environmental Resources]
17 State Conservation Commission.

18 The State Conservation Commission [in the Department of
19 Environmental Resources] shall establish a program of assistance
20 to environmental advisory councils AND POLITICAL SUBDIVISIONS <—
21 that may include educational services, exchange of information,
22 assignment of technical personnel for natural resources planning
23 assistance and the coordination of State and local conservation
24 activities. THE PROGRAM OF ASSISTANCE TO POLITICAL SUBDIVISIONS <—
25 MAY ALSO INCLUDE TECHNICAL ASSISTANCE AND EDUCATIONAL SERVICES
26 FOR THE TESTING OF LAND-APPLIED SEWAGE SLUDGE.

27 § 2329. Assistance from Department of Community [Affairs] and
28 Economic Development.

29 The Department of Community [Affairs] and Economic
30 Development shall establish a program of assistance to

1 environmental advisory councils in planning for the management,
2 use and development of open space and recreation areas.

3 § 2515. Distribution of petition.

4 When the election officials find that the petition as
5 submitted is in proper order, they shall send copies of the
6 initiative petition without signatures thereon to the governing
7 body of the municipalities involved and to the Department of
8 Community [Affairs] and Economic Development.

9 § 2522. Filing of referendum ordinance.

10 * * *

11 (b) Department of Community [Affairs] and Economic
12 Development.--When the ordinances are filed with the election
13 officials, copies of the referendum ordinance shall be
14 immediately filed with the Department of Community [Affairs] and
15 Economic Development.

16 § 2536. Results of election.

17 The election officials shall certify the results of the
18 referendum to the governing bodies and the Department of
19 Community [Affairs] and Economic Development.

20 § 2543. Election returns.

21 The result of the votes cast for members of the board at the
22 municipal election shall be returned by the election officials
23 to the governing bodies of municipalities involved and to the
24 Department of Community [Affairs] and Economic Development.

25 § 2921. Report of findings and recommendations.

26 * * *

27 (c) Filing copy with Department of Community [Affairs] and
28 Economic Development.--A copy of the final report of the
29 commission with its findings and recommendations shall be filed
30 with the Department of Community [Affairs] and Economic

1 Development.

2 * * *

3 § 2943. Petition for referendum or ordinance proposing
4 amendment.

5 * * *

6 (b) Review and disposition of petition.--The election
7 officials shall review the initiative petition as to the number
8 and qualifications of signers. If the petition appears to be
9 defective, the election officials shall immediately notify the
10 persons filing the petition of the defect. When the election
11 officials find that the petition as submitted is in proper
12 order, they shall send copies of the initiative petition without
13 signatures thereon to the governing body and to the Department
14 of Community [Affairs] and Economic Development. The initiative
15 petition as submitted to the election officials, along with a
16 list of signatories, shall be open to inspection in the office
17 of the election officials.

18 § 2951. Conduct and results of election.

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

1 § 2965. Recording and filing of charter.

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

7 § 2972. Recording and filing of plan.

8 The municipal clerk or secretary shall immediately cause the
9 new plan of government as adopted to be recorded in the
10 ordinance book of the municipality and shall also file a
11 certified copy thereof with the Department of State, the
12 Secretary of Community [Affairs] and Economic Development and
13 the county board of elections.

14 § 2984. Assumption of functions previously assumed by other
15 municipality.

16 * * *

17 (b) Procedure for adjustment and apportionment.--The
18 adjustment and apportionment shall be reduced to a written
19 agreement which shall be filed with the court of common pleas of
20 the county and the Department of Community [Affairs] and
21 Economic Development.

22 * * *

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

25 § 5402. Definitions.

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

29 * * *

30 "Municipal corporation." Any city, borough or incorporated

1 town.

2 Section 3. Section 8001(c) of Title 53, added December 19,
3 1996 (P.L.1158, No.177), is amended to read:

4 § 8001. Short title, scope and applicability of subpart.

5 * * *

6 (c) Exemption of bonds and notes from taxation in this
7 Commonwealth.--[All] This section is the Commonwealth's pledge
8 to and agreement with a person, firm, corporation or Federal
9 agency subscribing to or acquiring any bonds or notes, including
10 tax anticipation notes issued by any local government unit under
11 this subpart [or], the act of June 25, 1941 (P.L.159, No.87),
12 known as the Municipal Borrowing Law, or the act of July 12,
13 1972 (P.L.781, No.185), known as the Local Government Unit Debt
14 Act, that the bonds or notes, their transfer and the income
15 therefrom, including any profits made on [the] their sale
16 [thereof], shall be free from taxation for State and local
17 purposes within this Commonwealth. This exemption does not apply
18 to gift, inheritance [and], succession or estate taxes [under
19 Article XXI of the act of March 4, 1971 (P.L.6, No.2), known as
20 the Tax Reform Code of 1971,] or any other taxes not levied
21 directly on the bonds or notes, [the] their transfer, the income
22 therefrom or the realization of profits on [the] their sale. The
23 exemption under this subsection of profits made on the sale of
24 bonds or notes does not apply to bonds or notes issued on or
25 after February 1, 1994, (the effective date of section 2901 of
26 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
27 of 1971.

28 * * *

29 Section 4. The definitions of "bond or note" and
30 "department" in section 8002(c) of Title 53, added December 19,

1 1996 (P.L.1158, No.177), are amended to read:

2 § 8002. Definitions.

3 * * *

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

10 * * *

11 "Bond or note." Any instrument issued by a local government
12 unit imposing an obligation for the repayment of money borrowed,
13 but not including a guaranty endorsed on an instrument issued by
14 an authority. Unless otherwise indicated, the term does not
15 include tax anticipation notes. A bond or a note which is a
16 security as defined in 13 Pa.C.S. Div. 8 (relating to investment
17 securities) shall be governed by 13 Pa.C.S. Div. 8, and every
18 other bond or note shall be governed by [Subchapter C] 13
19 Pa.C.S. Div. 3 (relating to [procedure for securing approval of
20 electors] negotiable instruments), except in each case as
21 otherwise provided in this subchapter.

22 * * *

23 "Department." The Department of Community [Affairs] and
24 Economic Development of the Commonwealth.

25 * * *

26 Section 5. Sections 8101, 8103 heading and (a)(4), 8105
27 introductory paragraph, 8107 and 8109(a)(1) of Title 53, added
28 December 19, 1996 (P.L.1158, No.177), are amended to read:

29 § 8101. Combining projects for financing or series of bonds or
30 notes for sale.

1 The governing body of a local government unit may by
2 ordinance take any of the following actions in connection with
3 the issuance of bonds or notes or the authorization of the
4 instrument creating lease rental debt:

5 (1) In lieu of combining two or more items or elements
6 permitted to be combined under the definition of "project" in
7 section 8002 (relating to definitions) as a single project,
8 designate any one or more of the items or elements as a
9 project and combine the projects for financing purposes by
10 one series of bonds or notes. If the series of bonds or notes
11 are revenue bonds or notes, all projects so combined shall be
12 revenue-producing projects, all or a portion of the rates,
13 rentals, receipts, tolls and charges may be combined, common
14 reserve funds may be created and common or cross covenants
15 may be made in respect of each project.

16 (2) Offer for simultaneous sale under separate or
17 combined bids any two or more series of bonds or notes of any
18 type.

19 (3) Provide for the financing of a project or projects
20 by the issuance, either simultaneously or in succession, of
21 any combination of instruments evidencing debt applicable to
22 the project or projects and authorized by this subpart.

23 Any ordinance required by this section may be included in any
24 authorizing ordinance required by section 8103 (relating to
25 ordinance authorizing issuance of [documents] bonds or notes or
26 instruments evidencing lease rental debt).

27 § 8103. Ordinance authorizing issuance of [documents] bonds or
28 notes or instruments evidencing lease rental debt.

29 (a) General rule.--The ordinance or ordinances or, in the
30 case of notes issued under section 8109 (relating to small

1 borrowing for capital purposes), the resolution authorizing the
2 issuance of bonds or notes or the execution of a lease,
3 guaranty, subsidy contract or other agreement evidencing lease
4 rental debt by a local government unit shall contain, in
5 substance:

6 * * *

7 (4) In the case of revenue or guaranteed revenue bonds
8 or notes, [the inclusion of] there may be included the
9 matters set forth in sections 8105 (relating to additional
10 provisions in ordinance authorizing issuance of revenue or
11 guaranteed revenue bonds or notes), 8147 (relating to pledge
12 of revenues) and 8148 (relating to deeds of trust and other
13 agreements with bondholders and noteholders).

14 * * *

15 § 8105. Additional provisions in ordinance authorizing issuance
16 of revenue or guaranteed revenue bonds or notes.

17 In addition to the provisions required or permitted by
18 sections 8103 (relating to ordinance authorizing issuance of
19 [documents] bonds or notes or instruments evidencing lease
20 rental debt), 8147 (relating to pledge of revenues) and 8148
21 (relating to deeds of trust and other agreements with
22 bondholders and noteholders), the ordinance authorizing the
23 issuance of revenue bonds or notes or guaranteed revenue bonds
24 or notes may also contain the following:

25 * * *

26 § 8107. Award of bonds or notes.

27 When an acceptable proposal for the purchase of the bonds or
28 notes, or any part thereof offered separately, has been received
29 and is in conformity with the terms of the official invitation
30 for proposals or is an acceptable proposal at a negotiated or

1 invited sale, and is in compliance with the provisions of this
2 subpart, it may be accepted by resolution or by ordinance. If
3 the acceptance is made by resolution, the acceptance shall be
4 conditional upon compliance with section 8103 (relating to
5 ordinance authorizing issuance of [documents] bonds or notes or
6 instruments evidencing lease rental debt). If the acceptance is
7 made by ordinance, the ordinance shall also fix any details of
8 the series of bonds or notes being sold, not fixed by prior
9 ordinance, and award the bonds or notes, or those which have
10 been sold, to specified purchasers at prices specified in the
11 ordinance. These provisions may be included in the ordinance
12 adopted pursuant to section 8103. Notwithstanding any other
13 provision of this subpart or of any other statute, as between
14 the local government unit and the purchasers, an awarding
15 resolution or ordinance shall be effective upon its final
16 adoption or enactment by the governing body. The advertisement
17 of the ordinance prior to enactment shall be sufficient if it
18 describes the items to be completed from the proposal.

19 § 8109. Small borrowing for capital purposes.

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

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

1 * * *

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

4 SUBCHAPTER A

5 DEPARTMENT OF COMMUNITY [AFFAIRS] AND ECONOMIC DEVELOPMENT

6 Section 7. Section 8225 of Title 53 is amended by adding a
7 paragraph to read:

8 § 8225. Management of sinking and other funds.

9 The management and control of sinking and other funds and
10 investments thereof subject to the provisions of this subpart
11 shall be vested in the governing body of the local government
12 unit except:

13 * * *

14 (1.1) To the extent otherwise provided by this subpart.

15 * * *

16 SECTION 8. TITLE 53 IS AMENDED BY ADDING A CHAPTER TO READ: <—

17 CHAPTER 83

18 POLICE AGENCY LOANS

19 SUBCHAPTER

20 A. PRELIMINARY PROVISIONS

21 B. ADMINISTRATION

22 C. LOAN PROGRAM

23 D. DEBT

24 E. MISCELLANEOUS PROVISIONS

25 SUBCHAPTER A

26 PRELIMINARY PROVISIONS

27 SEC.

28 8301. SHORT TITLE OF CHAPTER.

29 8302. DEFINITIONS.

30 § 8301. SHORT TITLE OF CHAPTER.

1 THIS CHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE POLICE
2 AGENCY LOAN ACT.

3 § 8302. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
5 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 "AGENCY." THE PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY.

8 "DIVISION." THE POLICE AGENCY LOAN DIVISION OF THE
9 PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY ESTABLISHED IN SECTION
10 8311 (RELATING TO DIVISION).

11 "FUND." THE POLICE AGENCY LOAN FUND ESTABLISHED IN SECTION
12 8312 (RELATING TO FUND).

13 "POLICE AGENCY." A POLICE DEPARTMENT OF A CITY, TOWN,
14 TOWNSHIP, BOROUGH OR HOME RULE MUNICIPALITY WHICH:

15 (1) HAS POLICE COVERAGE FOR A MINIMUM OF 40 HOURS PER
16 WEEK; AND

17 (2) HAS HAD, FOR THE PRECEDING 18 MONTHS, POLICE
18 COVERAGE FOR A MINIMUM OF 40 HOURS PER WEEK.

19 THE TERM INCLUDES AN OFFICE OF COUNTY DETECTIVES WORKING FOR A
20 DISTRICT ATTORNEY AND A REGIONAL POLICE DEPARTMENT ORGANIZED
21 UNDER THE ACT OF JULY 12, 1972 (P.L.762, NO.180), REFERRED TO AS
22 THE INTERGOVERNMENTAL COOPERATION LAW, OR THIS TITLE.

23 "SECRETARY." THE SECRETARY OF THE COMMONWEALTH.

24 "SINKING FUND." THE POLICE AGENCY LOAN SINKING FUND
25 ESTABLISHED IN SECTION 8337 (RELATING TO SINKING FUND).

26 SUBCHAPTER B
27 ADMINISTRATION

28 SEC.

29 8311. DIVISION.

30 8312. FUND.

1 § 8311. DIVISION.

2 (A) ESTABLISHMENT.--THE POLICE AGENCY LOAN DIVISION IS
3 ESTABLISHED AS A DIVISION OF THE AGENCY.

4 (B) POWERS AND DUTIES.--THE DIVISION HAS THE FOLLOWING
5 POWERS AND DUTIES:

6 (1) TO ADMINISTER THE FUND AS SET FORTH IN SECTION
7 8312(C) (RELATING TO FUND).

8 (2) TO ADMINISTER SUBCHAPTER C.

9 (3) TO COLLECT LOANS MADE UNDER SECTION 8322(C)
10 (RELATING TO LOANS). THIS PARAGRAPH INCLUDES THE POWER TO
11 INSTITUTE ACTIONS FOR LEGAL OR EQUITABLE RELIEF.

12 (4) TO PROMULGATE REGULATIONS TO IMPLEMENT THIS CHAPTER.

13 § 8312. FUND.

14 (A) ESTABLISHMENT.--THE POLICE AGENCY LOAN FUND IS
15 ESTABLISHED AS A SEPARATE FUND IN THE STATE TREASURY.

16 (B) SOURCE.--THE FOLLOWING ARE THE SOURCES OF THE FUND:

17 (1) THE PROCEEDS FROM THE SALE OF BONDS UNDER SECTION
18 8336 (RELATING TO PROCEEDS).

19 (2) THE PROCEEDS FROM THE REPAYMENT OF PRINCIPAL AND
20 INTEREST OF LOANS UNDER SECTION 8322(C) (RELATING TO LOANS).

21 (C) PURPOSE.--THE DIVISION SHALL ADMINISTER THE FUND TO DO
22 ALL OF THE FOLLOWING:

23 (1) REPAY THE STATE TREASURER FOR THE COST OF THE BOND
24 ISSUE UNDER SECTIONS 8333 (RELATING TO SALE OF BONDS), 8334
25 (RELATING TO REFUNDING BONDS) AND 8335 (RELATING TO
26 REGISTRATION OF BONDS).

27 (2) MAKE LOANS UNDER SECTION 8322(C).

28 (3) COLLECT LOANS UNDER SECTION 8311(B)(3) (RELATING TO
29 DIVISION).

30 (4) ADMINISTER THIS CHAPTER. IN ANY FISCAL YEAR, THE

1 DIVISION MAY USE FOR ADMINISTRATIVE COSTS 1% OF THE AGGREGATE
2 DEBT AUTHORIZED UNDER SECTION 8331 (RELATING TO AUTHORITY TO
3 BORROW).

4 SUBCHAPTER C

5 LOAN PROGRAM

6 SEC.

7 8321. AUTHORITY.

8 8322. LOANS.

9 § 8321. AUTHORITY.

10 (A) AUTHORIZATION.--THE DIVISION MAY MAKE A LOAN TO A
11 POLITICAL SUBDIVISION FOR A POLICE AGENCY OF THE POLITICAL
12 SUBDIVISION AS NECESSARY FOR THE PROPER PERFORMANCE OF THE
13 POLICE AGENCY'S LAW ENFORCEMENT DUTIES, TO DO ANY OF THE
14 FOLLOWING:

15 (1) PURCHASE, EXPAND, MODERNIZE OR REPAIR BUILDINGS OR
16 PORTIONS OF BUILDINGS WHICH ARE USED EXCLUSIVELY FOR POLICE
17 PURPOSES. THIS PARAGRAPH INCLUDES POLICE HEADQUARTERS, POLICE
18 SUBSTATIONS AND POLICE MAINTENANCE GARAGES.

19 (2) PURCHASE, MAINTAIN OR REPAIR EQUIPMENT.

20 (3) PURCHASE, MAINTAIN OR REPAIR VEHICLES.

21 (B) AMOUNT.--A LOAN UNDER SUBSECTION (A) FOR THE PURCHASE,
22 MAINTENANCE OR REPAIR OF BUILDINGS SHALL BE FOR NOT LESS THAN
23 \$5,000 NOR MORE THAN \$200,000. A LOAN UNDER SUBSECTION (A) FOR
24 THE PURCHASE, MAINTENANCE OR REPAIR OF VEHICLES OR EQUIPMENT
25 SHALL BE FOR NOT LESS THAN \$5,000 NOR MORE THAN \$100,000. NO
26 POLITICAL SUBDIVISION MAY RECEIVE LOANS TOTALING MORE THAN
27 \$300,000 IN A FIVE-YEAR PERIOD.

28 (C) TERMS.--

29 (1) A LOAN MUST BE AT AN INTEREST RATE OF 2%.

30 (2) A LOAN MUST BE REPAID IN ACCORDANCE WITH THE

1 LEGISLATION APPLICABLE TO THE POLITICAL SUBDIVISION WHICH
2 RECEIVES THE LOAN.

3 (3) A LOAN MUST HAVE A REPAYMENT PERIOD AS FOLLOWS:

4 (I) FOR A LOAN OF NOT MORE THAN \$15,000, A PERIOD OF
5 FIVE YEARS.

6 (II) FOR A LOAN OF MORE THAN \$15,000 BUT NOT MORE
7 THAN \$100,000, A PERIOD OF TEN YEARS.

8 (III) FOR A LOAN OF MORE THAN \$100,000, A PERIOD OF
9 15 YEARS.

10 § 8322. LOANS.

11 (A) APPLICATION.--A POLITICAL SUBDIVISION MAY APPLY FOR A
12 LOAN UNDER SECTION 8321 (RELATING TO AUTHORITY) BY SUBMITTING TO
13 THE DIVISION ALL OF THE FOLLOWING:

14 (1) NAME OF POLICE AGENCY.

15 (2) PROPOSED USE OF LOAN.

16 (3) NEED FOR USE UNDER PARAGRAPH (2).

17 (4) DOCUMENTED ABILITY TO REPAY PRINCIPAL AND INTEREST
18 OF LOAN.

19 (B) DETERMINATION.--

20 (1) WITHIN 60 DAYS OF RECEIPT OF AN APPLICATION UNDER
21 SUBSECTION (A), THE DIVISION MUST MAKE A DECISION AND NOTIFY
22 THE POLITICAL SUBDIVISION OF THE DECISION.

23 (2) FAILURE TO ISSUE TIMELY NOTICE UNDER PARAGRAPH (1)
24 SHALL BE DEEMED A DENIAL OF THE APPLICATION.

25 (3) THE PROVISIONS OF 2 P.A.C.S. CH. 7 SUBCH. A (RELATING
26 TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION) SHALL APPLY
27 TO DETERMINATIONS UNDER THIS SUBSECTION.

28 (C) CONTRACTS.--UPON DETERMINATION OF ELIGIBILITY UNDER
29 SUBSECTION (B), THE DIVISION SHALL ENTER INTO A LOAN CONTRACT
30 WITH THE POLITICAL SUBDIVISION.

1 SUBCHAPTER D

2 DEBT

3 SEC.

4 8331. AUTHORITY TO BORROW.

5 8332. BONDS.

6 8333. SALE OF BONDS.

7 8334. REFUNDING BONDS.

8 8335. REGISTRATION OF BONDS.

9 8336. PROCEEDS.

10 8337. SINKING FUND.

11 8338. REFERENDUM.

12 § 8331. AUTHORITY TO BORROW.

13 PURSUANT TO SECTION 7(A)(3) OF ARTICLE VIII OF THE
14 CONSTITUTION OF PENNSYLVANIA AND THE REFERENDUM APPROVED BY THE
15 ELECTORATE UNDER SECTION 8338 (RELATING TO REFERENDUM), THE
16 GOVERNOR, AUDITOR GENERAL AND STATE TREASURER ARE AUTHORIZED AND
17 DIRECTED TO BORROW, ON THE CREDIT OF THE COMMONWEALTH, MONEY NOT
18 EXCEEDING IN THE AGGREGATE THE SUM OF \$20,000,000 TO IMPLEMENT
19 SUBCHAPTER C.

20 § 8332. BONDS.

21 (A) GENERAL RULE.--AS EVIDENCE OF THE INDEBTEDNESS
22 AUTHORIZED UNDER SECTION 8331 (RELATING TO AUTHORITY TO BORROW),
23 GENERAL OBLIGATION BONDS OF THE COMMONWEALTH SHALL BE ISSUED.
24 THE GOVERNOR, AUDITOR GENERAL AND STATE TREASURER SHALL DIRECT
25 FOR EACH BOND THE TOTAL AMOUNT; THE FORM; THE DENOMINATION; THE
26 TERMS AND CONDITIONS OF ISSUE, REDEMPTION AND MATURITY; RATE OF
27 INTEREST; AND TIME OF PAYMENT OF INTEREST. THE LATEST STATED
28 MATURITY DATE SHALL NOT EXCEED 30 YEARS FROM THE DATE OF THE
29 BOND FIRST ISSUED FOR EACH SERIES.

30 (B) SIGNATURE.--BONDS ISSUED UNDER SUBSECTION (A) SHALL BEAR

1 FACSIMILE SIGNATURES OF THE GOVERNOR, AUDITOR GENERAL AND STATE
2 TREASURER AND A FACSIMILE OF THE GREAT SEAL OF THE COMMONWEALTH
3 OF PENNSYLVANIA AND SHALL BE COUNTERSIGNED BY TWO AUTHORIZED
4 OFFICERS OF THE AUTHORIZED LOAN AND TRANSFER AGENTS OF THE
5 COMMONWEALTH.

6 (C) STATUS.--BONDS ISSUED UNDER SUBSECTION (A) SHALL BE
7 DIRECT OBLIGATIONS OF THE COMMONWEALTH, AND THE FULL FAITH AND
8 CREDIT OF THE COMMONWEALTH ARE PLEDGED FOR THE PAYMENT OF THE
9 INTEREST ON THE BONDS AS IT BECOMES DUE AND THE PAYMENT OF THE
10 PRINCIPAL OF THE BONDS AT MATURITY. BONDS ISSUED UNDER
11 SUBSECTION (A) SHALL BE EXEMPT FROM TAXATION FOR STATE AND LOCAL
12 PURPOSES. THE PRINCIPAL OF AND INTEREST ON SUCH BONDS SHALL BE
13 PAYABLE IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA.

14 (D) FORMAT.--BONDS ISSUED UNDER SUBSECTION (A) MAY BE ISSUED
15 AS COUPON BONDS OR REGISTERED AS TO BOTH PRINCIPAL AND INTEREST
16 AS THE ISSUING OFFICIALS MAY DETERMINE. IF INTEREST COUPONS ARE
17 ATTACHED, THEY SHALL CONTAIN THE FACSIMILE SIGNATURE OF THE
18 STATE TREASURER.

19 (E) AMORTIZATION.--THE ISSUING OFFICIALS SHALL PROVIDE FOR
20 THE AMORTIZATION OF THE BONDS IN SUBSTANTIAL AND REGULAR AMOUNTS
21 OVER THE TERM OF THE DEBT AS FOLLOWS:

22 (1) THE FIRST RETIREMENT OF PRINCIPAL SHALL BE STATED TO
23 MATURE PRIOR TO THE EXPIRATION OF A PERIOD OF TIME EQUAL TO
24 ONE-TENTH OF THE TIME FROM THE DATE OF THE FIRST OBLIGATION
25 ISSUE TO EVIDENCE THE DEBT TO THE DATE OF THE EXPIRATION OF
26 THE TERM OF THE DEBT.

27 (2) RETIREMENTS OF PRINCIPAL SHALL BE REGULAR AND
28 SUBSTANTIAL IF MADE IN ANNUAL OR SEMIANNUAL AMOUNTS, WHETHER
29 BY STATED SERIAL MATURITIES OR BY MANDATORY SINKING FUND
30 RETIREMENTS, COMPUTED EITHER IN ACCORDANCE WITH A LEVEL

1 ANNUAL DEBT SERVICE PLAN, AS NEARLY AS MAY BE, OR UPON THE
2 EQUAL ANNUAL MATURITIES PLAN.

3 (F) PROCESSING.--THE GOVERNOR, THE AUDITOR GENERAL AND THE
4 STATE TREASURER SHALL PROCEED TO HAVE THE NECESSARY BONDS
5 PREPARED AND PRINTED. THE BONDS, AS SOON AS THEY ARE PREPARED
6 AND PRINTED, SHALL BE DEPOSITED WITH THE AUTHORIZED LOAN AND
7 TRANSFER AGENT OF THE COMMONWEALTH, THERE TO REMAIN UNTIL SOLD
8 UNDER SECTION 8333 (RELATING TO SALE OF BONDS).

9 § 8333. SALE OF BONDS.

10 (A) PUBLIC SALE.--BONDS ISSUED UNDER SECTION 8332(A)
11 (RELATING TO BONDS) SHALL BE OFFERED FOR SALE AT NOT LESS THAN
12 98% OF THE PRINCIPAL AMOUNT AND ACCRUED INTEREST AND SHALL BE
13 SOLD BY THE GOVERNOR, AUDITOR GENERAL AND STATE TREASURER TO THE
14 HIGHEST AND BEST BIDDER OR BIDDERS AFTER PUBLIC ADVERTISEMENT,
15 ON TERMS AND CONDITIONS AND UPON OPEN COMPETITIVE BIDDING, AS
16 THE GOVERNOR, AUDITOR GENERAL AND STATE TREASURER SHALL DIRECT.

17 (B) PRIVATE SALE.--ANY PORTION OF A BOND ISSUE OFFERED UNDER
18 SUBSECTION (A) BUT NOT SOLD OR SUBSCRIBED FOR MAY BE DISPOSED OF
19 BY PRIVATE SALE BY THE GOVERNOR, AUDITOR GENERAL AND STATE
20 TREASURER, IN A MANNER AND AT A PRICE NOT LESS THAN 98% OF THE
21 PRINCIPAL AMOUNT AND ACCRUED INTEREST, AS THE GOVERNOR SHALL
22 DIRECT. NO COMMISSION SHALL BE ALLOWED OR PAID FOR THE SALE OF
23 BONDS ISSUED UNDER SECTION 8332(A).

24 (C) SERIES.--WHEN BONDS ARE ISSUED, THE BONDS OF EACH ISSUE
25 SHALL CONSTITUTE A SEPARATE SERIES TO BE DESIGNATED BY THE
26 ISSUING OFFICIALS OR MAY BE COMBINED FOR SALE AS ONE SERIES WITH
27 OTHER GENERAL OBLIGATION BONDS OF THE COMMONWEALTH.

28 § 8334. REFUNDING BONDS.

29 THE GOVERNOR, AUDITOR GENERAL AND STATE TREASURER ARE
30 AUTHORIZED TO PROVIDE, BY RESOLUTION, FOR THE ISSUANCE OF

1 REFUNDING BONDS FOR THE PURPOSE OF REFUNDING BONDS ISSUED UNDER
2 SECTION 8332(A) (RELATING TO BONDS) AND OUTSTANDING, EITHER BY
3 VOLUNTARY EXCHANGE WITH THE HOLDERS OF THE OUTSTANDING BONDS OR
4 BY PROVIDING FUNDS TO REDEEM AND RETIRE THE OUTSTANDING BONDS
5 WITH ACCRUED INTEREST AND PREMIUM PAYABLE ON THE BONDS, AT
6 MATURITY OR AT A CALL DATE. REFUNDING BONDS MAY BE ISSUED BY THE
7 GOVERNOR, AUDITOR GENERAL AND STATE TREASURER TO REFUND BONDS
8 PREVIOUSLY ISSUED UNDER THIS SECTION FOR REFUNDING PURPOSES.
9 SECTIONS 8331 (RELATING TO AUTHORITY TO BORROW), 8332 (RELATING
10 TO BONDS) AND 8333 (RELATING TO SALE OF BONDS) SHALL APPLY TO
11 BONDS UNDER THIS SECTION.

12 § 8335. REGISTRATION OF BONDS.

13 THE AUDITOR GENERAL SHALL PREPARE THE NECESSARY REGISTRY BOOK
14 TO BE KEPT IN THE OFFICE OF THE AUTHORIZED LOAN AND TRANSFER
15 AGENT OF THE COMMONWEALTH FOR THE REGISTRATION OF BONDS ISSUED
16 UNDER SECTION 8332(A) (RELATING TO BONDS), AT THE REQUEST OF
17 BOND OWNERS, ACCORDING TO THE TERMS AND CONDITIONS OF ISSUE
18 DIRECTED BY THE GOVERNOR, AUDITOR GENERAL AND STATE TREASURER.
19 BONDS WHICH ARE ISSUED WITHOUT INTEREST COUPONS ATTACHED SHALL
20 BE REGISTERED IN THE REGISTRY BOOKS KEPT BY THE AUTHORIZED LOAN
21 AND TRANSFER AGENT OF THE COMMONWEALTH.

22 § 8336. PROCEEDS.

23 THE PROCEEDS REALIZED FROM THE SALE OF BONDS UNDER SECTION
24 8332(A) (RELATING TO BONDS) SHALL BE PAID INTO THE FUND. THE
25 MONEY SHALL BE PAID BY THE STATE TREASURER INTO THE FUND.

26 § 8337. SINKING FUND.

27 (A) ESTABLISHMENT.--THE POLICE AGENCY LOAN SINKING FUND IS
28 ESTABLISHED AS A SEPARATE FUND IN THE STATE TREASURY.

29 (B) SOURCE.--

30 (1) BY NOVEMBER 1, THE STATE TREASURER SHALL NOTIFY THE

1 SECRETARY OF THE BUDGET OF THE AMOUNT NECESSARY FOR THE
2 ENSUING FISCAL YEAR TO REDEEM, WITH INTEREST, BONDS ISSUED
3 UNDER SECTION 8332(A) (RELATING TO BONDS).

4 (2) THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT OF
5 MONEY NECESSARY TO MEET REPAYMENT OBLIGATIONS UNDER PARAGRAPH
6 (1) FOR DEPOSIT INTO THE POLICE AGENCY SINKING LOAN FUND.

7 § 8338. REFERENDUM.

8 (A) QUESTION.--

9 (1) THE QUESTION OF INCURRING INDEBTEDNESS OF
10 \$20,000,000 FOR LOANS TO POLICE AGENCIES FOR THE PURPOSE OF
11 PURCHASING, MAINTAINING AND REPAIRING BUILDINGS, EQUIPMENT
12 AND VEHICLES, AS NECESSARY FOR THE PROPER PERFORMANCE OF THE
13 POLICE AGENCIES' LAW ENFORCEMENT DUTIES, SHALL BE SUBMITTED
14 TO THE ELECTORS AT THE NEXT PRIMARY, MUNICIPAL OR GENERAL
15 ELECTION FOLLOWING THE EFFECTIVE DATE OF THIS SECTION. AT
16 LEAST THREE MONTHS PRIOR TO THE ELECTION, THE SECRETARY MUST
17 PUBLISH THE QUESTION IN AT LEAST TWO NEWSPAPERS OF GENERAL
18 CIRCULATION IN EACH COUNTY IN WHICH AT LEAST TWO NEWSPAPERS
19 OF GENERAL CIRCULATION ARE PUBLISHED.

20 (2) THE SECRETARY SHALL CERTIFY THE QUESTION TO THE
21 COUNTY BOARDS OF ELECTION TO IMPLEMENT PARAGRAPH (1).

22 (B) FORM.--THE QUESTION SHALL BE IN SUBSTANTIALLY THE
23 FOLLOWING FORM:

24 DO YOU FAVOR THE INCURRING OF INDEBTEDNESS OF \$20,000,000
25 FOR LOANS TO POLICE AGENCIES FOR THE PURPOSE OF PURCHASING,
26 MAINTAINING AND REPAIRING BUILDINGS, EQUIPMENT AND VEHICLES,
27 AS NECESSARY FOR THE PROPER PERFORMANCE OF THE POLICE
28 AGENCIES' LAW ENFORCEMENT DUTIES?

29 (C) ELECTION.--THE ELECTION SHALL BE CONDUCTED IN ACCORDANCE
30 WITH THE ACT OF JUNE 3, 1937 (P.L.1333, NO.320), KNOWN AS THE

1 PENNSYLVANIA ELECTION CODE, EXCEPT THAT THE TIME LIMITS FOR
2 ADVERTISEMENT OF NOTICE OF THE ELECTION MAY BE WAIVED AS TO THE
3 QUESTION.

4 (D) NOTICE.--IF A MAJORITY OF THE ELECTORS VOTING IN THE
5 ELECTION UNDER SUBSECTION (C) VOTE IN THE AFFIRMATIVE, THE
6 SECRETARY SHALL SEND NOTICE OF THE VOTE TO THE LEGISLATIVE
7 REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN.

8 SUBCHAPTER E

9 MISCELLANEOUS PROVISIONS

10 SEC.

11 8341. REPEALS.

12 § 8341. REPEALS.

13 ALL ACTS AND PARTS OF ACTS ARE REPEALED INSOFAR AS THEY ARE
14 INCONSISTENT WITH THIS CHAPTER.

15 Section & 9. 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 9. This act shall take effect in 60 days.~~ <—

19 SECTION 10. THIS ACT SHALL TAKE EFFECT AS FOLLOWS: <—

20 (1) THE ADDITION OF 53 PA.C.S. § 8338 SHALL TAKE EFFECT
21 IMMEDIATELY.

22 (2) THE REMAINDER OF 53 PA.C.S. CH. 83 SHALL TAKE EFFECT
23 ON THE DATE OF PUBLICATION OF THE NOTICE UNDER 53 PA.C.S. §
24 8338(D).

25 (3) THE REMAINDER OF THE ACT SHALL TAKE EFFECT IN 60
26 DAYS.