

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 706 Session of
1999

INTRODUCED BY CONTI, THOMPSON, WOZNIAK, STOUT AND ROBBINS,
APRIL 7, 1999

REFERRED TO LOCAL GOVERNMENT, APRIL 7, 1999

AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,
2 as amended, "An act relating to counties of the second class
3 and second class A; amending, revising, consolidating and
4 changing the laws relating thereto," providing for an
5 operating reserve fund.

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

8 Section 1. The act of July 28, 1953 (P.L.723, No.230), known
9 as the Second Class County Code, is amended by adding a section
10 to read:

11 Section 511. Operating Reserve Fund.--(a) The county
12 commissioners shall have the power to create and maintain a
13 separate operating reserve fund in order to minimize future
14 revenue shortfalls and deficits, provide greater continuity and
15 predictability in the funding of vital government services,
16 minimize the need to increase taxes to balance the budget in
17 times of fiscal distress, provide the capacity to undertake
18 long-range financial planning and develop fiscal resources to
19 meet long-term needs.

1 (b) The county commissioners may annually make
2 appropriations from the general county fund to the operating
3 reserve fund, but no appropriation shall be made to the
4 operating reserve fund if the effect of the appropriation would
5 cause the fund to exceed five per cent of the estimated revenues
6 of the county's general fund in the current fiscal year.

7 (c) The commissioners may at any time, by resolution, make
8 appropriations from the operating reserve fund for the following
9 purposes only:

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

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

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

21 (d) The operating reserve fund shall be invested, reinvested
22 and administered in a manner consistent with the provisions of
23 section 1964 of this act relating to the investment of county
24 funds generally.

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