

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1323 Session of
2007

INTRODUCED BY MURT, BELFANTI, BENNINGHOFF, DENLINGER,
DePASQUALE, ELLIS, EVERETT, FAIRCHILD, GEIST, GEORGE, GERBER,
GIBBONS, GINGRICH, HARPER, HARRIS, HELM, HENNESSEY,
HICKERNELL, HORNAMAN, KENNEY, KILLION, KORTZ, LENTZ,
LONGIETTI, MAHER, MAHONEY, MAJOR, MANDERINO, MANN, MANTZ,
MARSHALL, McGEEHAN, MELIO, MENSCH, MILLARD, R. MILLER, MILNE,
MOYER, MUSTIO, MYERS, OLIVER, O'NEILL, PASHINSKI, PEIFER,
PERRY, PETRARCA, PICKETT, QUIGLEY, RAPP, REICHLLEY, ROAE,
SAINATO, SAYLOR, SCAVELLO, SOLOBAY, STABACK, STAIRS, STERN,
SWANGER, J. TAYLOR, VEREB, VITALI, VULAKOVICH, SCHRODER, ROSS
AND PETRONE, JUNE 5, 2007

REFERRED TO COMMITTEE ON FINANCE, JUNE 5, 2007

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or

1 collect taxes, or to make returns or reports under the laws
2 imposing taxes for State purposes, or to pay license fees or
3 other moneys to the Commonwealth, or any agency thereof,
4 every State depository and every debtor or creditor of the
5 Commonwealth," further providing, in Local Government Capital
6 Project Loan Fund provisions, for assistance to
7 municipalities.

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

10 Section 1. Section 1603-D of the act of April 9, 1929
11 (P.L.343, No.176), known as The Fiscal Code, amended or added
12 October 6, 1997 (P.L.387, No.46) and July 5, 2006 (P.L.296,
13 No.66), is amended to read:

14 Section 1603-D. Assistance to Municipalities.--(a) The
15 department is hereby authorized, upon application of a
16 municipality, to make loans to the municipality for the
17 following purposes and in the following amounts:

18 1. Purchasing equipment. The amount of a loan made for
19 purchasing equipment shall not exceed [twenty-five thousand
20 dollars (\$25,000)] fifty thousand dollars (\$50,000) for any
21 single piece of equipment or fifty per centum of the total cost
22 of the piece of equipment, whichever is less.

23 2. Purchasing, constructing, renovating or rehabilitating
24 facilities. The amount of a loan made for purchasing,
25 constructing, renovating or rehabilitating facilities shall not
26 exceed [fifty thousand dollars (\$50,000)] one hundred thousand
27 dollars (\$100,000) for any single facility or fifty per centum
28 of the total cost for purchasing, constructing, renovating or
29 rehabilitating the facility, whichever is less.

30 [3. Temporary increase in loan limits. For the fiscal year
31 commencing July 1, 2006, loans issued pursuant to paragraph 1
32 shall not exceed fifty thousand dollars (\$50,000) and issued
33 pursuant to paragraph 2 shall not exceed one hundred thousand

1 dollars (\$100,000).]

2 (b) Loans made by the department for the purchase of
3 equipment shall be for a period not to exceed the useful life of
4 the equipment and loans made for the purchase, construction,
5 renovation or rehabilitation of facilities shall be for a period
6 of not more than [ten] twenty years. Loans shall be subject to
7 the payment of interest at two per centum per annum and shall be
8 subject to such security as shall be determined by the
9 department. The total amount of interest earned by the
10 investment or reinvestment of all or any part of the principal
11 of any loan shall be returned to the department and transferred
12 to the fund and shall not be credited as payment of principal or
13 interest on the loan. The minimum amount of any loan shall be
14 one thousand dollars (\$1,000). The municipality shall comply
15 with the approval requirements of 53 Pa.C.S. Ch. 80 Subch. C
16 (relating to procedure for securing approval of electors).

17 (c) Every application for a loan under this article shall be
18 accompanied by a financial statement of the municipality and a
19 financial plan to show how the loan will be repaid. Every
20 application shall be accompanied by evidence sufficient to show
21 that all costs, except the amount of the loan, will be met by
22 assets or revenues of the municipality, grants or loans from
23 other sources or in-kind contributions or services.

24 (d) Loans under this article shall be used for purchasing
25 equipment and for purchasing, constructing, renovating or
26 rehabilitating facilities and shall not be used for operating
27 expenses or for the refinancing or reduction of any debt or
28 obligation incurred prior to the effective date of this article.

29 (e) Loans made by the department shall be paid from the fund
30 to municipalities in accordance with rules and regulations

1 promulgated by the department.

2 (f) All payments of interest on loans and the principal
3 thereof shall be deposited by the department in the fund.

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