

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1266 Session of 2011

INTRODUCED BY GORDNER, BAKER, BLAKE, YAW, YUDICHAK, PILEGGI, COSTA, ARGALL, BOSCOLA, ERICKSON, FARNESE, FONTANA, GREENLEAF, PIPPY, MENSCH, RAFFERTY, SCHWANK, SMUCKER, TARTAGLIONE, BREWSTER, DINNIMAN, FERLO, HUGHES, KASUNIC, KITCHEN, LEACH, SOLOBAY, STACK, WASHINGTON, WILLIAMS, WOZNIAK, BROWNE AND BRUBAKER, SEPTEMBER 28, 2011

SENATOR CORMAN, APPROPRIATIONS, AS AMENDED, NOVEMBER 14, 2011

AN ACT

1 Implementing the provisions of clause (1) of subsection (a) of
2 section 7 of Article VIII of the Constitution of the
3 Commonwealth of Pennsylvania authorizing the incurring of
4 debt for the rehabilitation of areas affected by Hurricane
5 Irene and Tropical Storm Lee; imposing duties upon the
6 Governor, the Auditor General and the State Treasurer;
7 prescribing the procedures for the issuance, sale and payment
8 of general obligations bonds, the funding of debt and
9 refunding of bonds; exempting said bonds from State and local
10 taxation; creating certain funds; providing for allocation of
11 proceeds and for a legislative disaster oversight committee; ←
12 and making appropriations.

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

15 ~~Section 1. Borrowing of money authorized.~~ ←

16 ~~Pursuant to the provisions of clause (1) of subsection (a) of~~
17 ~~section 7 of Article VIII of the Constitution of Pennsylvania,~~
18 ~~the Commonwealth is hereby authorized and directed to borrow~~
19 ~~from time to time money not exceeding in the aggregate the sum~~
20 ~~of \$250,000,000, not including money borrowed to refund~~
21 ~~outstanding bonds, notes or replacement notes, as may be found~~

1 ~~necessary to carry out the rehabilitation of areas affected by~~  
2 ~~Hurricane Irene and Tropical Storm Lee.~~

3 ~~Section 2. General obligation bonds authorized.~~

4 ~~The indebtedness herein authorized shall be incurred from~~  
5 ~~time to time and shall be evidenced by one or more series of~~  
6 ~~general obligation bonds or notes of the Commonwealth in such~~  
7 ~~aggregate principal amount for each series as the Governor,~~  
8 ~~Auditor General and State Treasurer shall determine, but the~~  
9 ~~latest stated maturity date shall not exceed 20 years from the~~  
10 ~~date of the bond first issued for each such series.~~

11 ~~Section 3. Disposition and use of proceeds.~~

12 ~~(a) Deposit. The proceeds from the sale of bonds and notes,~~  
13 ~~except refunding bonds and replacement notes, issued pursuant to~~  
14 ~~the provisions of this act shall be paid to the State Treasurer~~  
15 ~~and be held in a separate fund to be known as the Disaster~~  
16 ~~Relief Fund.~~

17 ~~(b) Dedication of funds. The moneys in the Disaster Relief~~  
18 ~~Fund are hereby specifically dedicated to meeting the costs of~~  
19 ~~the rehabilitation of areas affected by Hurricane Irene and~~  
20 ~~Tropical Storm Lee, including, but not limited to, public~~  
21 ~~assistance and disaster mitigation as defined in or authorized~~  
22 ~~by The Robert T. Stafford Disaster Relief and Emergency~~  
23 ~~Assistance Act (Public Law 93-288, 88 Stat. 143) and paying the~~  
24 ~~costs and expenses of issuing bonds and notes.~~

25 ~~(c) Interest earnings. Pending their application to the~~  
26 ~~purposes authorized, moneys held or deposited by the State~~  
27 ~~Treasurer may be invested and reinvested as are other funds in~~  
28 ~~the custody of the State Treasurer in the manner provided by~~  
29 ~~law. All earnings received from the investment or deposit of~~  
30 ~~such funds shall be paid into the State Treasury to the credit~~

1 ~~of the Disaster Relief Fund.~~

2 ~~(d) Allocation of proceeds. Subject to the total limit of~~  
3 ~~\$250,000,000, the funds authorized to be borrowed by section 1~~  
4 ~~shall be allocated as follows:~~

5 ~~(1) No more than \$237,500,000 of the funds authorized to~~  
6 ~~be borrowed under this act shall be used to provide for the~~  
7 ~~State's share of all public assistance costs, including costs~~  
8 ~~for highways and bridges, except State designated highways~~  
9 ~~and bridges, and disaster mitigation costs provided by the~~  
10 ~~Federal Government under The Robert T. Stafford Disaster~~  
11 ~~Relief and Emergency Assistance Act (Public Law 93-288, 88-~~  
12 ~~Stat. 143).~~

13 ~~(2) (i) No more than 5% of the funds borrowed under~~  
14 ~~this act shall be used for the cost of the following~~  
15 ~~projects pursuant to the disaster proclamation:~~

16 ~~(A) Public assistance projects for the~~  
17 ~~rehabilitation, construction, reconstruction, repair,~~  
18 ~~other than normal maintenance, or the replacement of~~  
19 ~~any public facility of a political subdivision in~~  
20 ~~counties declared as disaster areas which are not~~  
21 ~~funded by the Federal Government or which are funded~~  
22 ~~by the Federal Government at a level insufficient to~~  
23 ~~meet current codes and standards.~~

24 ~~(B) Public assistance projects for the~~  
25 ~~rehabilitation, construction, reconstruction, repair,~~  
26 ~~other than normal maintenance, or the replacement of~~  
27 ~~any nonprofit facility owned and operated by a~~  
28 ~~nonprofit organization in counties declared as~~  
29 ~~disaster areas which are not funded by the Federal~~  
30 ~~Government or which are funded at a level~~

1 ~~insufficient to meet current codes and standards.~~

2 ~~(C) Public assistance projects for the~~  
3 ~~rehabilitation, construction, reconstruction, repair,~~  
4 ~~other than normal maintenance, or the replacement of~~  
5 ~~a public facility or nonprofit facility in counties~~  
6 ~~not declared as disaster areas by the Federal~~  
7 ~~Government.~~

8 ~~(D) Hazard mitigation projects in counties not~~  
9 ~~declared as disaster areas by the Federal Government.~~

10 ~~(ii) If the funding for projects under this~~  
11 ~~paragraph is insufficient to provide assistance for all~~  
12 ~~eligible projects, the Commonwealth shall prioritize~~  
13 ~~projects by considering the following factors:~~

14 ~~(A) The severity of disaster related damages to~~  
15 ~~be rectified by the project.~~

16 ~~(B) Whether the project will improve the health,~~  
17 ~~safety and welfare of the affected population.~~

18 ~~(C) Whether the project will lead to an~~  
19 ~~effective solution to the problem to be addressed.~~

20 ~~(D) The consistency of the project with other~~  
21 ~~State and regional resource management and economic~~  
22 ~~development plans.~~

23 ~~(E) The financial condition of the applicant,~~  
24 ~~including revenues, expenses, debt structure, equity~~  
25 ~~position and available collateral.~~

26 ~~(F) The economic and financial condition of the~~  
27 ~~community to be served, including the tax base,~~  
28 ~~annual budget and percentage of low income and~~  
29 ~~moderate income residents.~~

30 ~~(G) The inability of the applicant to secure~~

1 ~~funding from other sources.~~

2 ~~(iii) Any remaining funds under this paragraph shall~~  
3 ~~be transferred to the Pennsylvania Infrastructure~~  
4 ~~Investment Authority established under the act of March~~  
5 ~~1, 1988 (P.L.82, No.16), known as the Pennsylvania~~  
6 ~~Infrastructure Investment Authority Act, to provide funds~~  
7 ~~for authority projects which were damaged by Hurricane~~  
8 ~~Irene and Tropical Storm Lee.~~

9 ~~(iv) No project shall receive more than \$250,000 of~~  
10 ~~the total funds available under this paragraph, except as~~  
11 ~~defined in section 14(b)(2).~~

12 ~~(v) No project shall be funded under subparagraph~~  
13 ~~(i) (A) or (B) unless the Commonwealth determines that~~  
14 ~~there was an adequate appeal of the denial of Federal~~  
15 ~~funding or of the inadequate level of Federal funding.~~

16 ~~(e) Transfer of unused funds. Moneys in the Disaster Relief~~  
17 ~~Fund not necessary to pay unexpired contracts or to pay~~  
18 ~~potential legal obligations shall be transferred by the State~~  
19 ~~Treasurer, with the approval of the Governor, to the Disaster~~  
20 ~~Relief Redemption Fund and shall be used to pay debt service on~~  
21 ~~the existing disaster relief bonds.~~

22 ~~Section 4. Issuance of bonds; interest; maturity.~~

23 ~~(a) Series and issues. When bonds are issued from time to~~  
24 ~~time, the bonds of each issue shall constitute a separate series~~  
25 ~~to be designated by the issuing officials or may be combined for~~  
26 ~~sale as one series with other general obligation bonds of the~~  
27 ~~Commonwealth. Each series of bonds shall bear such rate or rates~~  
28 ~~of interest as may be determined by the issuing officials. The~~  
29 ~~bonds shall be issued in such denominations and in such form or~~  
30 ~~forms, whether coupon or registered as to both principal and~~

1 ~~interest, and with or without such provisions for~~  
2 ~~interchangeability as the issuing officials may determine. In~~  
3 ~~case interest coupons are attached, they shall contain the~~  
4 ~~facsimile signature of the State Treasurer.~~

5 ~~(b) Terms. Except as otherwise set forth in this act, the~~  
6 ~~terms and conditions of issue, redemption and maturity and time~~  
7 ~~of payment of interest shall be as the issuing officials shall~~  
8 ~~specify. The issuing officials shall provide for the~~  
9 ~~amortization of the bonds in substantial and regular amounts~~  
10 ~~over the term of the debt. The first retirement of principal~~  
11 ~~shall be stated to mature prior to the expiration of a period of~~  
12 ~~time equal to one tenth of the time from the date of the first~~  
13 ~~obligation issued to evidence the debt to the date of the~~  
14 ~~expiration of the term of the debt. Retirements of principal~~  
15 ~~shall be regular and substantial if made in annual or semiannual~~  
16 ~~amounts whether by stated serial maturities or by mandatory~~  
17 ~~sinking fund retirements computed in accordance with either a~~  
18 ~~level annual debt service plan, as nearly as may be, or upon the~~  
19 ~~equal annual maturities plan. The issuing officials are hereby~~  
20 ~~authorized to carry out the provisions of this act relating to~~  
21 ~~the issuance of bonds and shall determine all matters in~~  
22 ~~connection with the bonds subject to the provisions of this act.~~

23 ~~(c) Signatures. All bonds issued under the authority of~~  
24 ~~this act shall bear the facsimile signatures of the issuing~~  
25 ~~officials and a facsimile of the Great Seal of the Commonwealth~~  
26 ~~of Pennsylvania and shall be countersigned by a duly authorized~~  
27 ~~officer of a duly authorized loan and transfer agent of the~~  
28 ~~Commonwealth.~~

29 ~~Section 5. Direct obligations; exemption from taxation; means~~  
30 ~~of payment.~~

1 ~~All bonds issued in accordance with this act shall be direct~~  
2 ~~obligations of the Commonwealth, and the full faith and credit~~  
3 ~~of the Commonwealth are hereby pledged for the payment of the~~  
4 ~~interest on the bonds as the interest becomes due and the~~  
5 ~~payment of the principal of the bonds at maturity. All bonds~~  
6 ~~issued under the provisions of this act shall be exempt from~~  
7 ~~taxation for State and local purposes, except as provided under~~  
8 ~~Article XXIX of the act of March 4, 1971 (P.L.6, No.2), known as~~  
9 ~~the Tax Reform Code of 1971. The principal of and interest on~~  
10 ~~the bonds shall be payable in lawful money of the United States.~~  
11 ~~Section 6. Sale of bonds.~~

12 ~~(a) Requirements. Whenever bonds are issued in accordance~~  
13 ~~with this act, they shall be offered for sale at not less than~~  
14 ~~98% of the principal amount of the bonds and accrued interest~~  
15 ~~and shall be sold by the issuing officials to the highest and~~  
16 ~~best bidder or bidders after public advertisement on such terms~~  
17 ~~and conditions and upon such open competitive bidding as the~~  
18 ~~issuing officials shall direct. The manner and times of~~  
19 ~~advertising shall be prescribed by the issuing officials.~~

20 ~~(b) Private sale. Any portion of a bond issue so offered~~  
21 ~~and not sold or subscribed for may be disposed of by private~~  
22 ~~sale by the issuing officials in such manner and at such prices,~~  
23 ~~not less than 98% of the principal amount of the bonds and~~  
24 ~~accrued interest, as the Governor shall direct. No commission~~  
25 ~~may be allowed or paid for the sale of any bonds issued under~~  
26 ~~the authority of this act.~~

27 ~~(c) Temporary bonds. Until permanent bonds can be prepared,~~  
28 ~~the issuing officials may in their discretion issue in lieu of~~  
29 ~~the permanent bonds, temporary bonds in such form and with such~~  
30 ~~privileges as to registration and exchange for permanent bonds~~

1 ~~as may be determined by the issuing officials.~~

2 ~~Section 7. Temporary financing authorization.~~

3 ~~(a) Temporary borrowing. Pending the issuance of bonds of~~  
4 ~~the Commonwealth as authorized, the issuing officials are hereby~~  
5 ~~authorized, in accordance with the provisions of this act and on~~  
6 ~~the credit of the Commonwealth, to make temporary borrowings,~~  
7 ~~through public or private sale, not to exceed three years in~~  
8 ~~anticipation to the issue of bonds in order to provide funds in~~  
9 ~~such amounts as may from time to time be deemed advisable prior~~  
10 ~~to the issue of bonds. In order to provide for and in connection~~  
11 ~~with the temporary borrowings, the issuing officials are hereby~~  
12 ~~authorized in the name and on behalf of the Commonwealth to~~  
13 ~~enter into purchase, loan or credit agreements or other~~  
14 ~~agreements with banks or trust companies or other lending~~  
15 ~~institutions, investment banking firms or persons in the United~~  
16 ~~States having power to enter into the same, which agreements may~~  
17 ~~contain such provisions not inconsistent with this act as may be~~  
18 ~~authorized by the issuing officials.~~

19 ~~(b) Evidence of debt. All temporary borrowings made under~~  
20 ~~the authorization of this section shall be evidenced by notes of~~  
21 ~~the Commonwealth, which shall be issued from time to time for~~  
22 ~~amounts not exceeding in the aggregate the applicable statutory~~  
23 ~~and constitutional debt limitation, in a form and in~~  
24 ~~denominations and subject to terms and condition of sale and~~  
25 ~~issue, prepayment or redemption and maturity, rate or rates of~~  
26 ~~interest and time of payment of interest that the issuing~~  
27 ~~officials authorize and direct and in accordance with this act.~~  
28 ~~The authorization and direction may provide for the subsequent~~  
29 ~~issuance of replacement notes to refund outstanding notes or~~  
30 ~~replacement notes, which replacement notes shall, upon issuance,~~



1 ~~evidence the borrowing, and may specify other terms and~~  
2 ~~conditions with respect to the notes and replacement notes~~  
3 ~~thereby authorized for issuance that the issuing officials may~~  
4 ~~determine and direct.~~

5 ~~(c) Replacement notes. When the authorization and direction~~  
6 ~~of the issuing officials provide for the issuance of replacement~~  
7 ~~notes, the issuing officials are hereby authorized in the name~~  
8 ~~and on behalf of the Commonwealth to issue, enter into or~~  
9 ~~authorize and direct the State Treasurer to enter into~~  
10 ~~agreements with any banks, trust companies, investment banking~~  
11 ~~firms or other institutions or persons in the United States~~  
12 ~~having the power to enter the same:~~

13 ~~(1) To purchase or underwrite an issue or series of~~  
14 ~~issues of notes.~~

15 ~~(2) To credit, to enter into purchase, loan or credit~~  
16 ~~agreements, to draw moneys pursuant to the agreement on the~~  
17 ~~terms and conditions set forth in the agreement and to issue~~  
18 ~~notes as evidence of borrowings made under the agreement.~~

19 ~~(3) To appoint an issuing and paying agent or agents~~  
20 ~~with respect to notes.~~

21 ~~(4) To do such other acts as may be necessary or~~  
22 ~~appropriate to provide for the payment, when due, of the~~  
23 ~~interest on and the principal of the notes.~~

24 ~~An agreement may provide for the compensation of any purchasers~~  
25 ~~or underwriters of notes or replacement notes by discounting the~~  
26 ~~purchase price of the notes or by payment of a fixed fee or~~  
27 ~~commission at the time of issuance of the notes, and all other~~  
28 ~~costs and expenses, including fees for agreements related to the~~  
29 ~~notes, issuing and paying agent costs and costs and expenses of~~  
30 ~~issuance, may be paid from the proceeds of the notes.~~

1       ~~(d) Duties of State Treasurer. When the authorization and~~  
2 ~~direction of the issuing officials provide for the issuance of~~  
3 ~~replacement notes, the State Treasurer shall, at or prior to the~~  
4 ~~time of delivery of these notes or replacement notes, determine~~  
5 ~~the principal amounts, dates of issue, interest rate or rates or~~  
6 ~~procedures for establishing interest rates from time to time,~~  
7 ~~rates of discount, denominations and all other terms and~~  
8 ~~conditions relating to the issuance and shall perform all acts~~  
9 ~~and things necessary to pay or cause to be paid, when due, all~~  
10 ~~principal of and interest on the notes being refunded by~~  
11 ~~replacement notes and to assure that the replacement notes may~~  
12 ~~draw upon any moneys available for that purpose pursuant to any~~  
13 ~~purchase, loan or credit agreements established with respect to~~  
14 ~~the replacement notes, all subject to the authorization and~~  
15 ~~direction of the issuing officials.~~

16       ~~(e) Retirement of outstanding notes. Outstanding notes~~  
17 ~~evidencing the borrowings may be funded and retired by the~~  
18 ~~issuance and sale of the bonds of the Commonwealth as authorized~~  
19 ~~under this act. The refunding bonds must be issued and sold not~~  
20 ~~later than a date three years after the date of issuance of the~~  
21 ~~first notes evidencing the borrowings to the extent that payment~~  
22 ~~of the notes has not otherwise been made or provided for by~~  
23 ~~sources other than proceeds of replacement notes.~~

24       ~~(f) Disposition of proceeds. The proceeds of all the~~  
25 ~~temporary borrowing shall be paid to the State Treasurer to be~~  
26 ~~held and disposed of in accordance with this act.~~

27 ~~Section 8. Disaster Relief Redemption Fund.~~

28       ~~(a) Establishment. All bonds issued under the authority of~~  
29 ~~this act shall be paid at maturity and all interest due from~~  
30 ~~time to time on the bonds and on all notes issued under this act~~

1 ~~shall be paid from the Disaster Relief Redemption Fund. The~~  
2 ~~General Assembly shall appropriate annually the moneys necessary~~  
3 ~~to pay the interest on the bonds and notes and the principal of~~  
4 ~~the bonds and notes at maturity for which other provision is not~~  
5 ~~made. All moneys so appropriated shall be paid into the Disaster~~  
6 ~~Relief Redemption Fund by the State Treasurer. All of the moneys~~  
7 ~~so received prior to the date for disbursement of the moneys~~  
8 ~~shall be invested by the State Treasurer pending disbursement in~~  
9 ~~such securities as are provided by law for the investment of~~  
10 ~~surplus moneys of the Commonwealth.~~

11 ~~(b) Use of fund. The investment of the moneys and the~~  
12 ~~accumulations on the moneys in the Disaster Relief Redemption~~  
13 ~~Fund shall be devoted to and be used exclusively for the payment~~  
14 ~~of the interest accruing on the bonds and notes and for the~~  
15 ~~redemption of the bonds and notes at maturity or upon the~~  
16 ~~redemption date, if called for prior redemption. The State~~  
17 ~~Treasurer, with the approval of the Governor, is authorized at~~  
18 ~~any time to use any of those funds for the purchase and~~  
19 ~~retirement of all or any part of the bonds issued under this~~  
20 ~~act. No purchase may be made that will reduce the moneys in the~~  
21 ~~Disaster Relief Redemption Fund below the amount necessary to~~  
22 ~~pay all principal and interest still to become due in the fiscal~~  
23 ~~year of the purchase. In the event that all or any part of the~~  
24 ~~bonds shall be purchased by the Commonwealth, they shall be~~  
25 ~~canceled and returned to the State Treasurer as canceled and~~  
26 ~~paid bonds and thereafter all payments of interest on the bonds~~  
27 ~~shall cease and the canceled bonds and coupons shall be~~  
28 ~~destroyed as promptly as possible after cancellation but not~~  
29 ~~later than two years after cancellation. A certificate~~  
30 ~~evidencing the destruction of the canceled bonds, notes and~~

1 ~~coupons shall be provided by the loan and transfer agent to the~~  
2 ~~issuing officials. All canceled bonds, notes and coupons shall~~  
3 ~~be so mutilated as to make the canceled bonds, notes and coupons~~  
4 ~~nonnegotiable.~~

5 ~~Section 9. Refunding bonds.~~

6 ~~The issuing officials are authorized to provide by resolution~~  
7 ~~for the issuance of refunding bonds for the purpose of refunding~~  
8 ~~any debt issued under this act and then outstanding, either by~~  
9 ~~voluntary exchange with the holders of the outstanding debt or~~  
10 ~~to provide funds to redeem and retire the outstanding debt with~~  
11 ~~accrued interest, any premium payable thereon and the costs of~~  
12 ~~issuance and retirement of the debt, at maturity or at any call~~  
13 ~~date. The issuance of the refunding bonds, the maturities and~~  
14 ~~other details of the refunding bonds, the rights of the holders~~  
15 ~~of the refunding bonds and the duties of the issuing officials~~  
16 ~~in respect to the refunding bonds shall be governed by the~~  
17 ~~provisions of this section insofar as they may be applicable.~~

18 ~~Refunding bonds that are not subject to the aggregate limitation~~  
19 ~~of \$250,000,000 of debt to be issued pursuant to this act may be~~  
20 ~~issued by the issuing officials to refund debt originally issued~~  
21 ~~or to refund bonds previously issued for refunding purposes.~~

22 ~~Section 10. Reporting requirements.~~

23 ~~The State Treasurer shall determine and report to the~~  
24 ~~Secretary of the Budget by November of each year the amount of~~  
25 ~~money necessary for the payment of interest on outstanding~~  
26 ~~obligations and the principal of the obligations, if any, for~~  
27 ~~the following fiscal year and the times and amounts of those~~  
28 ~~payments.~~

29 ~~Section 11. Registration of bonds.~~

30 ~~The Auditor General shall prepare the necessary registry~~

1 ~~books to be kept in the office of the duly authorized loan and~~  
2 ~~transfer agent of the Commonwealth for the registration of any~~  
3 ~~bonds of the Commonwealth at the request of the owner of the~~  
4 ~~bonds according to the terms and conditions of issue specified~~  
5 ~~by the issuing officials. All bonds that are issued without~~  
6 ~~interest coupons attached shall be registered in the registry~~  
7 ~~books kept by the duly authorized loan and transfer agent of the~~  
8 ~~Commonwealth.~~

9 ~~Section 12. Voting requirements.~~

10 ~~Whenever in this act any action is to be taken or decision~~  
11 ~~made by the issuing officials, and the three officers shall not~~  
12 ~~be able to agree unanimously, the action or decision of the~~  
13 ~~Governor and either the Auditor General or State Treasurer shall~~  
14 ~~be binding and final.~~

15 ~~Section 13. Appropriation.~~

16 ~~(a) Appropriation to Governor. The net proceeds, less the~~  
17 ~~costs and expenses of issuing the obligations, of the sale of~~  
18 ~~the \$250,000,000 of obligations authorized under this act are~~  
19 ~~hereby appropriated from the Disaster Relief Fund to the~~  
20 ~~Governor for allocation by the Secretary of the Budget as~~  
21 ~~provided in section 3(d) to the Pennsylvania Emergency~~  
22 ~~Management Agency for public assistance to non State and other~~  
23 ~~eligible entities and to the Pennsylvania Emergency Management~~  
24 ~~Agency and to other State agencies for public assistance costs~~  
25 ~~incurred by those agencies and to the Department of~~  
26 ~~Environmental Protection or other State agencies as deemed~~  
27 ~~appropriate for hazard mitigation.~~

28 ~~(b) Appropriation to State Treasurer. There is hereby~~  
29 ~~appropriated to the State Treasurer from the fund as much money~~  
30 ~~as may be necessary for all costs and expenses in connection~~

1 ~~with the issue of and sale and registration of the bonds and~~  
2 ~~notes in connection with this act and the payment of interest~~  
3 ~~arbitrage rebates on proceeds of the bonds and notes.~~

4 ~~Section 14. State and local participation levels.~~

5 ~~(a) Public assistance. The required non Federal~~  
6 ~~contribution of 25% necessary to secure Federal public~~  
7 ~~assistance funding, including costs for highways and bridges,~~  
8 ~~except State designated highways and bridges, shall be divided~~  
9 ~~between the State and the affected local political subdivision~~  
10 ~~or nonprofit organization where applicable. The State share will~~  
11 ~~be 22% and the political subdivision or nonprofit organization~~  
12 ~~share will be 3%.~~

13 ~~(b) Additional public assistance. The State contribution to~~  
14 ~~any political subdivision or nonprofit organization seeking~~  
15 ~~additional public assistance for projects qualifying under~~  
16 ~~section 3(d)(2)(i) shall be as follows:~~

17 ~~(1) If the project is located in a county that was~~  
18 ~~declared as a disaster area by the Federal Government and the~~  
19 ~~project is not eligible for Federal funding or receives~~  
20 ~~funding at an inadequate level, the Commonwealth shall~~  
21 ~~contribute 22% of the amount not eligible for Federal~~  
22 ~~funding, and the political subdivision or nonprofit~~  
23 ~~organization shall contribute 78% of the amount not eligible~~  
24 ~~for Federal funding.~~

25 ~~(2) If the project is located in a county that was not~~  
26 ~~declared as a disaster area by the Federal Government and the~~  
27 ~~project would have been eligible for Federal funding if~~  
28 ~~located in a county declared as a disaster area by the~~  
29 ~~Federal Government, the Commonwealth shall contribute 22% of~~  
30 ~~the cost of the project, and the political subdivision or~~

1 ~~nonprofit organization shall contribute 78% of the cost of~~  
2 ~~the project.~~

3 ~~(3) If the project is located in a county that was not~~  
4 ~~declared as a disaster area by the Federal Government and the~~  
5 ~~project would not have been eligible for Federal funding or~~  
6 ~~would have received funding at an inadequate level if located~~  
7 ~~in a county declared as a disaster area by the Federal~~  
8 ~~Government, the Commonwealth shall contribute 22% of the~~  
9 ~~amount not eligible for Federal funding, and the political~~  
10 ~~subdivision or nonprofit organization shall contribute 78% of~~  
11 ~~the amount not eligible for Federal funding.~~

12 ~~(c) Local waiver. The Commonwealth may reduce the share of~~  
13 ~~an affected political subdivision if the tax base of that~~  
14 ~~political subdivision was substantially reduced as a direct~~  
15 ~~result of Hurricane Irene and Tropical Storm Lee or if payment~~  
16 ~~of the local share exceeds 40% of the most recently adopted~~  
17 ~~annual budget of the political subdivision. The Commonwealth may~~  
18 ~~require the adoption of appropriate flood control or storm water~~  
19 ~~management plans as a condition of the waiver if the adoption of~~  
20 ~~the plan does not present additional financial hardship.~~

21 ~~(d) Definition. As used in this act, the term "political~~  
22 ~~subdivision" means any county, city, borough, incorporated town,~~  
23 ~~township, school district, vocational school district, county~~  
24 ~~institution district or municipal authority.~~

25 ~~Section 15. Legislative Disaster Oversight Committee.~~

26 ~~(a) Establishment. There is hereby created a special~~  
27 ~~legislative committee to be known as the Legislative Disaster~~  
28 ~~Oversight Committee that shall be composed of the following:~~

29 ~~(1) The Majority Leader of the Senate.~~

30 ~~(2) The Majority Leader of the House of Representatives.~~

- 1           ~~(3) The Minority Leader of the Senate.~~  
2           ~~(4) The Minority Leader of the House of Representatives.~~  
3           ~~(5) The Executive Director of the Pennsylvania Emergency~~  
4           ~~Management Agency.~~

5           ~~(b) Powers and duties. The Legislative Disaster Oversight~~  
6           ~~Committee may recommend policies for implementation of this act~~  
7           ~~to the Pennsylvania Emergency Management Agency and may inquire~~  
8           ~~into delays and issues related to distribution of public~~  
9           ~~assistance and other grants authorized under this act.~~

10          ~~Section 16. Constitutional construction.~~

11           ~~The provisions of this act shall be severable and, if any of~~  
12           ~~the provisions thereof shall be held unconstitutional, such~~  
13           ~~decisions shall not affect the validity of any of the remaining~~  
14           ~~provisions of this act. It is hereby declared as the legislative~~  
15           ~~intent that this act would have been adopted had such~~  
16           ~~unconstitutional provisions not been included therein.~~

17          ~~Section 17. Effective date.~~

18           ~~This act shall take effect immediately.~~

19          SECTION 1. BORROWING OF MONEY AUTHORIZED. ←

20           PURSUANT TO THE PROVISIONS OF CLAUSE (1) OF SUBSECTION (A) OF  
21           SECTION 7 OF ARTICLE VIII OF THE CONSTITUTION OF PENNSYLVANIA,  
22           THE COMMONWEALTH IS HEREBY AUTHORIZED AND DIRECTED TO BORROW  
23           FROM TIME TO TIME MONEY NOT EXCEEDING IN THE AGGREGATE THE SUM  
24           OF \$150,000,000, NOT INCLUDING MONEY BORROWED TO REFUND  
25           OUTSTANDING BONDS, NOTES OR REPLACEMENT NOTES, AS MAY BE FOUND  
26           NECESSARY TO CARRY OUT THE REHABILITATION OF AREAS AFFECTED BY  
27           HURRICANE IRENE AND TROPICAL STORM LEE.

28          SECTION 2. GENERAL OBLIGATION BONDS AUTHORIZED.

29           THE INDEBTEDNESS AUTHORIZED UNDER SECTION 1 SHALL BE INCURRED  
30           FROM TIME TO TIME AND SHALL BE EVIDENCED BY ONE OR MORE SERIES



1 OF GENERAL OBLIGATION BONDS OR NOTES OF THE COMMONWEALTH IN SUCH  
2 AGGREGATE PRINCIPAL AMOUNT FOR EACH SERIES AS THE GOVERNOR,  
3 AUDITOR GENERAL AND STATE TREASURER SHALL DETERMINE, BUT THE  
4 LATEST STATED MATURITY DATE SHALL NOT EXCEED 20 YEARS FROM THE  
5 DATE OF THE BOND FIRST ISSUED FOR EACH SUCH SERIES.

6 SECTION 3. DISPOSITION AND USE OF PROCEEDS.

7 (A) DEPOSIT.--THE PROCEEDS FROM THE SALE OF BONDS AND NOTES,  
8 EXCEPT REFUNDING BONDS AND REPLACEMENT NOTES, ISSUED PURSUANT TO  
9 THE PROVISIONS OF THIS ACT SHALL BE PAID TO THE STATE TREASURER  
10 AND BE HELD IN A SEPARATE FUND TO BE KNOWN AS THE DISASTER  
11 RELIEF FUND.

12 (B) DEDICATION OF FUNDS.--THE MONEYS IN THE DISASTER RELIEF  
13 FUND ARE HEREBY SPECIFICALLY DEDICATED TO MEETING THE COSTS OF  
14 THE REHABILITATION OF AREAS AFFECTED BY HURRICANE IRENE AND  
15 TROPICAL STORM LEE, INCLUDING, BUT NOT LIMITED TO, PROJECTS THAT  
16 ARE DEFINED IN OR AUTHORIZED BY THE ROBERT T. STAFFORD DISASTER  
17 RELIEF AND EMERGENCY ASSISTANCE ACT (PUBLIC LAW 93-288, 88 STAT.  
18 143) AND PAYING THE COSTS AND EXPENSES OF ISSUING BONDS AND  
19 NOTES.

20 (C) INTEREST EARNINGS.--PENDING THEIR APPLICATION TO THE  
21 PURPOSES AUTHORIZED, MONEYS HELD OR DEPOSITED BY THE STATE  
22 TREASURER MAY BE INVESTED AND REINVESTED AS ARE OTHER FUNDS IN  
23 THE CUSTODY OF THE STATE TREASURER IN THE MANNER PROVIDED BY  
24 LAW. ALL EARNINGS RECEIVED FROM THE INVESTMENT OR DEPOSIT OF  
25 THOSE FUNDS SHALL BE PAID INTO THE STATE TREASURY TO THE CREDIT  
26 OF THE DISASTER RELIEF FUND.

27 (D) ALLOCATION OF PROCEEDS.--SUBJECT TO THE TOTAL LIMIT OF  
28 \$150,000,000, THE FUNDS AUTHORIZED TO BE BORROWED UNDER SECTION  
29 1 SHALL BE ALLOCATED AS FOLLOWS:

30 (1) AN AMOUNT NOT TO EXCEED 75% OF THE FUNDS SHALL BE

1 USED TO PROVIDE FOR THE COMMONWEALTH'S SHARE OF ALL COSTS,  
2 INCLUDING COSTS FOR HIGHWAYS AND BRIDGES, FLOOD CONTROL AND  
3 DISASTER MITIGATION COSTS PROVIDED BY THE FEDERAL GOVERNMENT  
4 UNDER THE ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY  
5 ASSISTANCE ACT.

6 (2) (I) AT LEAST 25% OF THE FUNDS SHALL BE USED FOR THE  
7 COST OF THE FOLLOWING PROJECTS PURSUANT TO THE DISASTER  
8 PROCLAMATION:

9 (A) PROJECTS FOR THE REHABILITATION,  
10 CONSTRUCTION, RECONSTRUCTION, REPAIR, OTHER THAN  
11 NORMAL MAINTENANCE, OR THE REPLACEMENT OF HIGHWAYS  
12 AND BRIDGES, FLOOD CONTROL AND DISASTER MITIGATION  
13 NOT FUNDED BY THE FEDERAL GOVERNMENT OR FUNDED BY THE  
14 FEDERAL GOVERNMENT AT A LEVEL INSUFFICIENT TO MEET  
15 CURRENT CODES AND STANDARDS.

16 (B) PROJECTS FOR THE REHABILITATION,  
17 CONSTRUCTION, RECONSTRUCTION, REPAIR, OTHER THAN  
18 NORMAL MAINTENANCE, OR THE REPLACEMENT OF ANY PUBLIC  
19 FACILITY OF A POLITICAL SUBDIVISION IN COUNTIES  
20 DECLARED AS DISASTER AREAS THAT ARE NOT FUNDED BY THE  
21 FEDERAL GOVERNMENT OR ARE FUNDED BY THE FEDERAL  
22 GOVERNMENT AT A LEVEL INSUFFICIENT TO MEET CURRENT  
23 CODES AND STANDARDS.

24 (C) PROJECTS FOR THE REHABILITATION,  
25 CONSTRUCTION, RECONSTRUCTION, REPAIR, OTHER THAN  
26 NORMAL MAINTENANCE, OR THE REPLACEMENT OF ANY  
27 NONPROFIT FACILITY OWNED AND OPERATED BY A NONPROFIT  
28 ORGANIZATION IN COUNTIES DECLARED AS DISASTER AREAS  
29 THAT ARE NOT FUNDED BY THE FEDERAL GOVERNMENT OR ARE  
30 FUNDED AT A LEVEL INSUFFICIENT TO MEET CURRENT CODES

1 AND STANDARDS.

2 (II) IF THE FUNDING FOR PROJECTS UNDER THIS  
3 PARAGRAPH IS INSUFFICIENT TO PROVIDE ASSISTANCE FOR ALL  
4 ELIGIBLE PROJECTS, THE COMMONWEALTH SHALL PRIORITIZE  
5 PROJECTS BY CONSIDERING THE FOLLOWING FACTORS:

6 (A) THE SEVERITY OF DISASTER-RELATED DAMAGES TO  
7 BE RECTIFIED BY THE PROJECT.

8 (B) WHETHER THE PROJECT WILL IMPROVE THE HEALTH,  
9 SAFETY AND WELFARE OF THE AFFECTED POPULATION.

10 (C) THE CONSISTENCY OF THE PROJECT WITH OTHER  
11 STATE AND REGIONAL RESOURCE MANAGEMENT AND ECONOMIC  
12 DEVELOPMENT PLANS.

13 (D) THE FINANCIAL CONDITION OF THE APPLICANT,  
14 INCLUDING REVENUES, EXPENSES, DEBT STRUCTURE, EQUITY  
15 POSITION AND AVAILABLE COLLATERAL.

16 (E) THE ECONOMIC AND FINANCIAL CONDITION OF THE  
17 COMMUNITY TO BE SERVED, INCLUDING THE TAX BASE,  
18 ANNUAL BUDGET AND PERCENTAGE OF LOW-INCOME AND  
19 MODERATE-INCOME RESIDENTS.

20 (F) THE INABILITY OF THE APPLICANT TO SECURE  
21 FUNDING FROM OTHER SOURCES.

22 (III) NO PROJECT MAY BE FUNDED UNDER SUBPARAGRAPH  
23 (I) (A) OR (B) UNLESS THE COMMONWEALTH DETERMINES THAT  
24 THERE WAS AN ADEQUATE APPEAL OF THE DENIAL OF FEDERAL  
25 FUNDING OR OF THE INADEQUATE LEVEL OF FEDERAL FUNDING.

26 (E) TRANSFER OF UNUSED FUNDS.--MONEYS IN THE DISASTER RELIEF  
27 FUND NOT NECESSARY TO PAY UNEXPIRED CONTRACTS OR TO PAY  
28 POTENTIAL LEGAL OBLIGATIONS SHALL BE TRANSFERRED BY THE STATE  
29 TREASURER, WITH THE APPROVAL OF THE GOVERNOR, TO THE DISASTER  
30 RELIEF REDEMPTION FUND AND SHALL BE USED TO PAY DEBT SERVICE ON

1 THE EXISTING DISASTER RELIEF BONDS.

2 SECTION 4. ISSUANCE OF BONDS, INTEREST AND MATURITY.

3 (A) SERIES AND ISSUES.--WHEN BONDS ARE ISSUED FROM TIME TO  
4 TIME, THE BONDS OF EACH ISSUE SHALL CONSTITUTE A SEPARATE SERIES  
5 TO BE DESIGNATED BY THE ISSUING OFFICIALS OR MAY BE COMBINED FOR  
6 SALE AS ONE SERIES WITH OTHER GENERAL OBLIGATION BONDS OF THE  
7 COMMONWEALTH. EACH SERIES OF BONDS SHALL BEAR SUCH RATE OR RATES  
8 OF INTEREST AS MAY BE DETERMINED BY THE ISSUING OFFICIALS. THE  
9 BONDS SHALL BE ISSUED IN THE DENOMINATIONS AND IN THE FORMS,  
10 WHETHER COUPON OR REGISTERED AS TO BOTH PRINCIPAL AND INTEREST,  
11 AND WITH OR WITHOUT PROVISIONS FOR INTERCHANGEABILITY, AS THE  
12 ISSUING OFFICIALS MAY DETERMINE. IN CASE INTEREST COUPONS ARE  
13 ATTACHED, THEY SHALL CONTAIN THE FACSIMILE SIGNATURE OF THE  
14 STATE TREASURER.

15 (B) TERMS.--EXCEPT AS OTHERWISE SET FORTH IN THIS ACT, THE  
16 TERMS AND CONDITIONS OF ISSUE, REDEMPTION AND MATURITY AND TIME  
17 OF PAYMENT OF INTEREST SHALL BE AS THE ISSUING OFFICIALS SHALL  
18 SPECIFY. THE ISSUING OFFICIALS SHALL PROVIDE FOR THE  
19 AMORTIZATION OF THE BONDS IN SUBSTANTIAL AND REGULAR AMOUNTS  
20 OVER THE TERM OF THE DEBT. THE FIRST RETIREMENT OF PRINCIPAL  
21 SHALL BE STATED TO MATURE PRIOR TO THE EXPIRATION OF A PERIOD OF  
22 TIME EQUAL TO ONE-TENTH OF THE TIME FROM THE DATE OF THE FIRST  
23 OBLIGATION ISSUED TO EVIDENCE THE DEBT TO THE DATE OF THE  
24 EXPIRATION OF THE TERM OF THE DEBT. RETIREMENTS OF PRINCIPAL  
25 SHALL BE REGULAR AND SUBSTANTIAL IF MADE IN ANNUAL OR SEMIANNUAL  
26 AMOUNTS WHETHER BY STATED SERIAL MATURITIES OR BY MANDATORY  
27 SINKING FUND RETIREMENTS COMPUTED IN ACCORDANCE WITH EITHER A  
28 LEVEL ANNUAL DEBT SERVICE PLAN, AS NEARLY AS MAY BE, OR UPON THE  
29 EQUAL ANNUAL MATURITIES PLAN. THE ISSUING OFFICIALS ARE HEREBY  
30 AUTHORIZED TO CARRY OUT THE PROVISIONS OF THIS ACT RELATING TO

1 THE ISSUANCE OF BONDS AND SHALL DETERMINE ALL MATTERS IN  
2 CONNECTION WITH THE BONDS SUBJECT TO THE PROVISIONS OF THIS ACT.

3 (C) SIGNATURES.--ALL BONDS ISSUED UNDER THE AUTHORITY OF  
4 THIS ACT SHALL BEAR THE FACSIMILE SIGNATURES OF THE ISSUING  
5 OFFICIALS AND A FACSIMILE OF THE GREAT SEAL OF THE COMMONWEALTH  
6 OF PENNSYLVANIA AND SHALL BE COUNTERSIGNED BY A DULY AUTHORIZED  
7 OFFICER OF A DULY AUTHORIZED LOAN AND TRANSFER AGENT OF THE  
8 COMMONWEALTH.

9 SECTION 5. DIRECT OBLIGATIONS, EXEMPTION FROM TAXATION AND  
10 MEANS OF PAYMENT.

11 ALL BONDS ISSUED UNDER THIS ACT SHALL BE DIRECT OBLIGATIONS  
12 OF THE COMMONWEALTH, AND THE FULL FAITH AND CREDIT OF THE  
13 COMMONWEALTH ARE HEREBY PLEDGED FOR THE PAYMENT OF THE INTEREST  
14 ON THE BONDS AS THE INTEREST BECOMES DUE AND THE PAYMENT OF THE  
15 PRINCIPAL OF THE BONDS AT MATURITY. ALL BONDS ISSUED UNDER THE  
16 PROVISIONS OF THIS ACT SHALL BE EXEMPT FROM TAXATION FOR STATE  
17 AND LOCAL PURPOSES, EXCEPT AS PROVIDED UNDER ARTICLE XXIX OF THE  
18 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE  
19 OF 1971. THE PRINCIPAL OF AND INTEREST ON THE BONDS SHALL BE  
20 PAYABLE IN LAWFUL MONEY OF THE UNITED STATES.

21 SECTION 6. SALE OF BONDS.

22 (A) REQUIREMENTS.--WHENEVER BONDS ARE ISSUED UNDER THIS ACT,  
23 THEY SHALL BE OFFERED FOR SALE AT NOT LESS THAN 98% OF THE  
24 PRINCIPAL AMOUNT OF THE BONDS AND ACCRUED INTEREST AND SHALL BE  
25 SOLD BY THE ISSUING OFFICIALS TO THE HIGHEST AND BEST BIDDER OR  
26 BIDDERS AFTER PUBLIC ADVERTISEMENT ON SUCH TERMS AND CONDITIONS  
27 AND UPON SUCH OPEN COMPETITIVE BIDDING AS THE ISSUING OFFICIALS  
28 SHALL DIRECT. THE MANNER AND TIMES OF ADVERTISING SHALL BE  
29 PRESCRIBED BY THE ISSUING OFFICIALS.

30 (B) PRIVATE SALE.--ANY PORTION OF A BOND ISSUE SO OFFERED

1 AND NOT SOLD OR SUBSCRIBED FOR MAY BE DISPOSED OF BY PRIVATE  
2 SALE BY THE ISSUING OFFICIALS IN SUCH MANNER AND AT SUCH PRICES,  
3 NOT LESS THAN 98% OF THE PRINCIPAL AMOUNT OF THE BONDS AND  
4 ACCRUED INTEREST, AS THE GOVERNOR SHALL DIRECT. NO COMMISSION  
5 MAY BE ALLOWED OR PAID FOR THE SALE OF ANY BONDS ISSUED UNDER  
6 THE AUTHORITY OF THIS ACT.

7 (C) TEMPORARY BONDS.--UNTIL PERMANENT BONDS CAN BE PREPARED,  
8 THE ISSUING OFFICIALS MAY IN THEIR DISCRETION ISSUE IN LIEU OF  
9 THE PERMANENT BONDS, TEMPORARY BONDS IN SUCH FORM AND WITH SUCH  
10 PRIVILEGES AS TO REGISTRATION AND EXCHANGE FOR PERMANENT BONDS  
11 AS MAY BE DETERMINED BY THE ISSUING OFFICIALS.

12 SECTION 7. TEMPORARY FINANCING AUTHORIZATION.

13 (A) TEMPORARY BORROWING.--PENDING THE ISSUANCE OF BONDS OF  
14 THE COMMONWEALTH AS AUTHORIZED, THE ISSUING OFFICIALS ARE HEREBY  
15 AUTHORIZED, IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT AND ON  
16 THE CREDIT OF THE COMMONWEALTH, TO MAKE TEMPORARY BORROWINGS,  
17 THROUGH PUBLIC OR PRIVATE SALE, NOT TO EXCEED THREE YEARS IN  
18 ANTICIPATION TO THE ISSUE OF BONDS IN ORDER TO PROVIDE FUNDS IN  
19 SUCH AMOUNTS AS MAY FROM TIME TO TIME BE DEEMED ADVISABLE PRIOR  
20 TO THE ISSUE OF BONDS. IN ORDER TO PROVIDE FOR AND IN CONNECTION  
21 WITH THE TEMPORARY BORROWINGS, THE ISSUING OFFICIALS MAY, IN THE  
22 NAME AND ON BEHALF OF THE COMMONWEALTH, ENTER INTO PURCHASE,  
23 LOAN OR CREDIT AGREEMENTS OR OTHER AGREEMENTS WITH BANKS OR  
24 TRUST COMPANIES OR OTHER LENDING INSTITUTIONS, INVESTMENT  
25 BANKING FIRMS OR PERSONS IN THE UNITED STATES HAVING POWER TO  
26 ENTER INTO THE SAME, WHICH AGREEMENTS MAY CONTAIN SUCH  
27 PROVISIONS NOT INCONSISTENT WITH THIS ACT AS MAY BE AUTHORIZED  
28 BY THE ISSUING OFFICIALS.

29 (B) EVIDENCE OF DEBT.--ALL TEMPORARY BORROWINGS MADE UNDER  
30 THIS SECTION SHALL BE EVIDENCED BY NOTES OF THE COMMONWEALTH,

1 WHICH SHALL BE ISSUED FROM TIME TO TIME FOR AMOUNTS NOT  
2 EXCEEDING IN THE AGGREGATE THE APPLICABLE STATUTORY AND  
3 CONSTITUTIONAL DEBT LIMITATION, IN A FORM AND IN DENOMINATIONS  
4 AND SUBJECT TO TERMS AND CONDITION OF SALE AND ISSUE, PREPAYMENT  
5 OR REDEMPTION AND MATURITY, RATE OR RATES OF INTEREST AND TIME  
6 OF PAYMENT OF INTEREST THAT THE ISSUING OFFICIALS AUTHORIZE AND  
7 DIRECT IN ACCORDANCE WITH THIS ACT. THE AUTHORIZATION AND  
8 DIRECTION MAY PROVIDE FOR THE SUBSEQUENT ISSUANCE OF REPLACEMENT  
9 NOTES TO REFUND OUTSTANDING NOTES OR REPLACEMENT NOTES, WHICH  
10 REPLACEMENT NOTES SHALL, UPON ISSUANCE, EVIDENCE THE BORROWING,  
11 AND MAY SPECIFY OTHER TERMS AND CONDITIONS WITH RESPECT TO THE  
12 NOTES AND REPLACEMENT NOTES AUTHORIZED FOR ISSUANCE THAT THE  
13 ISSUING OFFICIALS MAY DETERMINE AND DIRECT.

14 (C) REPLACEMENT NOTES.--WHEN THE AUTHORIZATION AND DIRECTION  
15 OF THE ISSUING OFFICIALS PROVIDE FOR THE ISSUANCE OF REPLACEMENT  
16 NOTES, THE ISSUING OFFICIALS MAY, IN THE NAME AND ON BEHALF OF  
17 THE COMMONWEALTH, ISSUE, ENTER INTO OR AUTHORIZE AND DIRECT THE  
18 STATE TREASURER TO ENTER INTO AGREEMENTS WITH ANY BANKS, TRUST  
19 COMPANIES, INVESTMENT BANKING FIRMS OR OTHER INSTITUTIONS OR  
20 PERSONS IN THE UNITED STATES HAVING THE POWER TO ENTER  
21 AGREEMENTS:

22 (1) TO PURCHASE OR UNDERWRITE AN ISSUE OR SERIES OF  
23 ISSUES OF NOTES.

24 (2) TO CREDIT, TO ENTER INTO PURCHASE, LOAN OR CREDIT  
25 AGREEMENTS, TO DRAW MONEYS PURSUANT TO THE AGREEMENT ON THE  
26 TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT AND TO ISSUE  
27 NOTES AS EVIDENCE OF BORROWINGS MADE UNDER THE AGREEMENT.

28 (3) TO APPOINT AN ISSUING AND PAYING AGENT OR AGENTS  
29 WITH RESPECT TO NOTES.

30 (4) TO DO SUCH OTHER ACTS AS MAY BE NECESSARY OR

1 APPROPRIATE TO PROVIDE FOR THE PAYMENT, WHEN DUE, OF THE  
2 INTEREST ON AND THE PRINCIPAL OF THE NOTES.  
3 AN AGREEMENT MAY PROVIDE FOR THE COMPENSATION OF ANY PURCHASERS  
4 OR UNDERWRITERS OF NOTES OR REPLACEMENT NOTES BY DISCOUNTING THE  
5 PURCHASE PRICE OF THE NOTES OR BY PAYMENT OF A FIXED FEE OR  
6 COMMISSION AT THE TIME OF ISSUANCE OF THE NOTES, AND ALL OTHER  
7 COSTS AND EXPENSES, INCLUDING FEES FOR AGREEMENTS RELATED TO THE  
8 NOTES, ISSUING AND PAYING AGENT COSTS AND COSTS AND EXPENSES OF  
9 ISSUANCE, MAY BE PAID FROM THE PROCEEDS OF THE NOTES.

10 (D) DUTIES OF STATE TREASURER.--WHEN THE AUTHORIZATION AND  
11 DIRECTION OF THE ISSUING OFFICIALS PROVIDE FOR THE ISSUANCE OF  
12 REPLACEMENT NOTES, THE STATE TREASURER SHALL, AT OR PRIOR TO THE  
13 TIME OF DELIVERY OF THESE NOTES OR REPLACEMENT NOTES, DETERMINE  
14 THE PRINCIPAL AMOUNTS, DATES OF ISSUE, INTEREST RATE OR RATES OR  
15 PROCEDURES FOR ESTABLISHING INTEREST RATES FROM TIME TO TIME,  
16 RATES OF DISCOUNT, DENOMINATIONS AND ALL OTHER TERMS AND  
17 CONDITIONS RELATING TO THE ISSUANCE AND SHALL PERFORM ALL ACTS  
18 AND THINGS NECESSARY TO PAY OR CAUSE TO BE PAID, WHEN DUE, ALL  
19 PRINCIPAL OF AND INTEREST ON THE NOTES BEING REFUNDED BY  
20 REPLACEMENT NOTES AND TO ASSURE THAT THE REPLACEMENT NOTES MAY  
21 DRAW UPON ANY MONEYS AVAILABLE FOR THAT PURPOSE PURSUANT TO ANY  
22 PURCHASE, LOAN OR CREDIT AGREEMENTS ESTABLISHED WITH RESPECT TO  
23 THE REPLACEMENT NOTES, ALL SUBJECT TO THE AUTHORIZATION AND  
24 DIRECTION OF THE ISSUING OFFICIALS.

25 (E) RETIREMENT OF OUTSTANDING NOTES.--OUTSTANDING NOTES  
26 EVIDENCING THE BORROWINGS MAY BE FUNDED AND RETIRED BY THE  
27 ISSUANCE AND SALE OF THE BONDS OF THE COMMONWEALTH AS AUTHORIZED  
28 UNDER THIS ACT. THE REFUNDING BONDS MUST BE ISSUED AND SOLD NOT  
29 LATER THAN A DATE THREE YEARS AFTER THE DATE OF ISSUANCE OF THE  
30 FIRST NOTES EVIDENCING THE BORROWINGS TO THE EXTENT THAT PAYMENT



1 OF THE NOTES HAS NOT OTHERWISE BEEN MADE OR PROVIDED FOR BY  
2 SOURCES OTHER THAN PROCEEDS OF REPLACEMENT NOTES.

3 (F) DISPOSITION OF PROCEEDS.--THE PROCEEDS OF ALL THE  
4 TEMPORARY BORROWING SHALL BE PAID TO THE STATE TREASURER TO BE  
5 HELD AND DISPOSED OF IN ACCORDANCE WITH THIS ACT.

6 SECTION 8. DISASTER RELIEF REDEMPTION FUND.

7 (A) ESTABLISHMENT.--ALL BONDS ISSUED UNDER THE AUTHORITY OF  
8 THIS ACT SHALL BE PAID AT MATURITY AND ALL INTEREST DUE FROM  
9 TIME TO TIME ON THE BONDS AND ON ALL NOTES ISSUED UNDER THIS ACT  
10 SHALL BE PAID FROM THE DISASTER RELIEF REDEMPTION FUND. THE  
11 GENERAL ASSEMBLY SHALL APPROPRIATE ANNUALLY THE MONEYS NECESSARY  
12 TO PAY THE INTEREST ON THE BONDS AND NOTES AND THE PRINCIPAL OF  
13 THE BONDS AND NOTES AT MATURITY FOR WHICH OTHER PROVISION IS NOT  
14 MADE. ALL MONEYS SO APPROPRIATED SHALL BE PAID INTO THE DISASTER  
15 RELIEF REDEMPTION FUND BY THE STATE TREASURER. ALL MONEYS SO  
16 RECEIVED PRIOR TO THE DATE FOR DISBURSEMENT OF THE MONEYS SHALL  
17 BE INVESTED BY THE STATE TREASURER PENDING DISBURSEMENT IN SUCH  
18 SECURITIES AS ARE PROVIDED BY LAW FOR THE INVESTMENT OF SURPLUS  
19 MONEYS OF THE COMMONWEALTH.

20 (B) USE OF FUND.--THE INVESTMENT OF THE MONEYS AND THE  
21 ACCUMULATIONS ON THE MONEYS IN THE DISASTER RELIEF REDEMPTION  
22 FUND SHALL BE DEVOTED TO AND BE USED EXCLUSIVELY FOR THE PAYMENT  
23 OF THE INTEREST ACCRUING ON THE BONDS AND NOTES AND FOR THE  
24 REDEMPTION OF THE BONDS AND NOTES AT MATURITY OR UPON THE  
25 REDEMPTION DATE, IF CALLED FOR PRIOR REDEMPTION. THE STATE  
26 TREASURER, WITH THE APPROVAL OF THE GOVERNOR, IS AUTHORIZED AT  
27 ANY TIME TO USE ANY OF THOSE FUNDS FOR THE PURCHASE AND  
28 RETIREMENT OF ALL OR ANY PART OF THE BONDS ISSUED UNDER THIS  
29 ACT. NO PURCHASE MAY BE MADE THAT WILL REDUCE THE MONEYS IN THE  
30 DISASTER RELIEF REDEMPTION FUND BELOW THE AMOUNT NECESSARY TO

1 PAY ALL PRINCIPAL AND INTEREST STILL TO BECOME DUE IN THE FISCAL  
2 YEAR OF THE PURCHASE. IN THE EVENT THAT ALL OR ANY PART OF THE  
3 BONDS SHALL BE PURCHASED BY THE COMMONWEALTH, THEY SHALL BE  
4 CANCELED AND RETURNED TO THE STATE TREASURER AS CANCELED AND  
5 PAID BONDS, AND THEREAFTER ALL PAYMENTS OF INTEREST ON THE BONDS  
6 SHALL CEASE AND THE CANCELED BONDS AND COUPONS SHALL BE  
7 DESTROYED AS PROMPTLY AS POSSIBLE AFTER CANCELLATION BUT NOT  
8 LATER THAN TWO YEARS AFTER CANCELLATION. A CERTIFICATE  
9 EVIDENCING THE DESTRUCTION OF THE CANCELED BONDS, NOTES AND  
10 COUPONS SHALL BE PROVIDED BY THE LOAN AND TRANSFER AGENT TO THE  
11 ISSUING OFFICIALS. ALL CANCELED BONDS, NOTES AND COUPONS SHALL  
12 BE SO MUTILATED AS TO MAKE THE CANCELED BONDS, NOTES AND COUPONS  
13 NONNEGOTIABLE.

14 SECTION 9. REFUNDING BONDS.

15 THE ISSUING OFFICIALS MAY PROVIDE BY RESOLUTION FOR THE  
16 ISSUANCE OF REFUNDING BONDS FOR THE PURPOSE OF REFUNDING ANY  
17 DEBT ISSUED UNDER THIS ACT AND THEN OUTSTANDING, EITHER BY  
18 VOLUNTARY EXCHANGE WITH THE HOLDERS OF THE OUTSTANDING DEBT OR  
19 MAY PROVIDE FUNDS TO REDEEM AND RETIRE THE OUTSTANDING DEBT WITH  
20 ACCRUED INTEREST, ANY PREMIUM PAYABLE THEREON AND THE COSTS OF  
21 ISSUANCE AND RETIREMENT OF THE DEBT AT MATURITY OR AT ANY CALL  
22 DATE. THE ISSUANCE OF THE REFUNDING BONDS, THE MATURITIES AND  
23 OTHER DETAILS OF THE REFUNDING BONDS, THE RIGHTS OF THE HOLDERS  
24 OF THE REFUNDING BONDS AND THE DUTIES OF THE ISSUING OFFICIALS  
25 IN RESPECT TO THE REFUNDING BONDS SHALL BE GOVERNED BY THE  
26 PROVISIONS OF THIS SECTION INsofar AS THEY MAY BE APPLICABLE.  
27 REFUNDING BONDS THAT ARE NOT SUBJECT TO THE AGGREGATE LIMITATION  
28 OF \$150,000,000 OF DEBT TO BE ISSUED UNDER THIS ACT MAY BE  
29 ISSUED BY THE ISSUING OFFICIALS TO REFUND DEBT ORIGINALLY ISSUED  
30 OR TO REFUND BONDS PREVIOUSLY ISSUED FOR REFUNDING PURPOSES.

1 SECTION 10. REPORTING REQUIREMENTS.

2 THE STATE TREASURER SHALL DETERMINE AND REPORT TO THE  
3 SECRETARY OF THE BUDGET BY NOVEMBER OF EACH YEAR THE AMOUNT OF  
4 MONEY NECESSARY FOR THE PAYMENT OF INTEREST ON OUTSTANDING  
5 OBLIGATIONS AND THE PRINCIPAL OF THE OBLIGATIONS, IF ANY, FOR  
6 THE FOLLOWING FISCAL YEAR AND THE TIMES AND AMOUNTS OF THOSE  
7 PAYMENTS.

8 SECTION 11. REGISTRATION OF BONDS.

9 THE AUDITOR GENERAL SHALL PREPARE THE NECESSARY REGISTRY  
10 BOOKS TO BE KEPT IN THE OFFICE OF THE DULY AUTHORIZED LOAN AND  
11 TRANSFER AGENT OF THE COMMONWEALTH FOR THE REGISTRATION OF ANY  
12 BONDS OF THE COMMONWEALTH AT THE REQUEST OF THE OWNER OF THE  
13 BONDS ACCORDING TO THE TERMS AND CONDITIONS OF ISSUE SPECIFIED  
14 BY THE ISSUING OFFICIALS. ALL BONDS THAT ARE ISSUED WITHOUT  
15 INTEREST COUPONS ATTACHED SHALL BE REGISTERED IN THE REGISTRY  
16 BOOKS KEPT BY THE DULY AUTHORIZED LOAN AND TRANSFER AGENT OF THE  
17 COMMONWEALTH.

18 SECTION 12. VOTING REQUIREMENTS.

19 WHENEVER IN THIS ACT AN ACTION IS TO BE TAKEN OR DECISION  
20 MADE BY THE ISSUING OFFICIALS, AND THE THREE OFFICERS SHALL NOT  
21 BE ABLE TO AGREE UNANIMOUSLY, THE ACTION OR DECISION OF THE  
22 GOVERNOR AND EITHER THE AUDITOR GENERAL OR STATE TREASURER SHALL  
23 BE BINDING AND FINAL.

24 SECTION 13. APPROPRIATION.

25 (A) APPROPRIATION TO GOVERNOR.--THE NET PROCEEDS, LESS THE  
26 COSTS AND EXPENSES OF ISSUING THE OBLIGATIONS, OF THE SALE OF  
27 THE \$150,000,000 OF OBLIGATIONS AUTHORIZED UNDER THIS ACT ARE  
28 APPROPRIATED FROM THE DISASTER RELIEF FUND TO THE GOVERNOR FOR  
29 ALLOCATION BY THE SECRETARY OF THE BUDGET AS PROVIDED UNDER  
30 SECTION 3(D) TO STATE AGENCIES FOR PROJECTS AUTHORIZED UNDER

1 THIS ACT.

2 (B) APPROPRIATION TO STATE TREASURER.--THERE IS APPROPRIATED  
3 TO THE STATE TREASURER FROM THE FUND AS MUCH MONEY AS MAY BE  
4 NECESSARY FOR ALL COSTS AND EXPENSES IN CONNECTION WITH THE  
5 ISSUE OF AND SALE AND REGISTRATION OF THE BONDS AND NOTES IN  
6 CONNECTION WITH THIS ACT AND THE PAYMENT OF INTEREST ARBITRAGE  
7 REBATES ON PROCEEDS OF THE BONDS AND NOTES.

8 SECTION 14. EFFECTIVE DATE.

9 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.