
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1825 Session of
2013

INTRODUCED BY MILNE, CLYMER, O'NEILL, MILLARD, SCHLEGEL CULVER,
COHEN, MURT AND BOBACK, NOVEMBER 12, 2013

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, NOVEMBER 12, 2013

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled, as
2 reenacted and amended, "An act concerning townships of the
3 second class; and amending, revising, consolidating and
4 changing the law relating thereto," further providing for the
5 operating reserve fund.

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

8 Section 1. Section 1508.1 of the act of May 1, 1933
9 (P.L.103, No.69), known as The Second Class Township Code,
10 reenacted and amended November 9, 1995 (P.L.350, No.60), is
11 amended to read:

12 Section 1508.1. Operating Reserve Fund.--(a) The board of
13 supervisors shall have the power to create and maintain a
14 separate operating reserve fund in order to minimize future
15 revenue shortfalls and deficits, provide greater continuity and
16 predictability in the funding of vital government services,
17 minimize the need to increase taxes to balance the budget in
18 times of fiscal distress, provide the capacity to undertake
19 long-range financial planning and develop fiscal resources to

1 meet long-term needs.

2 (b) The board of supervisors may annually make
3 appropriations from the general township fund to the operating
4 reserve fund, but no appropriation shall be made to the
5 operating reserve fund if the effect of the appropriation would
6 cause the fund to exceed [five] twenty-five per centum of the
7 estimated revenues of the township's general fund in the current
8 fiscal year.

9 (c) The board of supervisors may at any time by resolution
10 make appropriations from the operating reserve fund for the
11 following purposes only:

12 (1) to meet emergencies involving the health, safety or
13 welfare of the residents of the township;

14 (2) to counterbalance potential budget deficits resulting
15 from shortfalls in anticipated revenues or program receipts from
16 whatever source; [or]

17 (2.1) to counterbalance potential budget deficits resulting
18 from increases in anticipated costs for goods or services; or

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

25 (d) The operating reserve fund shall be invested, reinvested
26 and administered in a manner consistent with the provisions of
27 section 3204 relating to the investment of township funds
28 generally.

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