

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 66 Session of 2015

INTRODUCED BY GODSHALL, JAMES, DAVIS, COHEN, MILLARD, DeLUCA, MOUL AND KORTZ, JANUARY 21, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, MARCH 4, 2015

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for transfer of existing facilities to authority
4 AND PROVIDING FOR SALE OR TRANSFER OF AUTHORITY WATER OR <--
5 SEWER INFRASTRUCTURE.

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

8 Section 1. Section 5613(b) of Title 53 of the Pennsylvania
9 Consolidated Statutes is amended to read:

10 § 5613. Transfer of existing facilities to authority.

11 \* \* \*

12 (b) Acquisition.--

13 (1) An authority may not acquire by any device or means,
14 including a consolidation, merger, purchase or lease or
15 through the purchase of stock, bonds or other securities,
16 title to or possession or use of all or a substantial portion
17 of any existing facilities constituting a project [as defined
18 under this chapter] if the project is subject to the
19 jurisdiction of the Pennsylvania Public Utility Commission

1 without first reporting to and advising the municipality  
2 which created or which are members of the authority of the  
3 agreement to acquire, including all its terms and conditions.

4 (2) The proposed action of the authority and the  
5 proposed agreement to acquire shall be approved by the  
6 governing body of the municipality which created or which are  
7 members of the authority and to which the report is made.  
8 Where there are one or two member municipalities of the  
9 authority, such approval shall be by two-thirds vote of all  
10 of the members of the governing body or of each of the  
11 governing bodies. If there are more than two member  
12 municipalities of the authority, approval shall be by  
13 majority vote of all the members of each governing body of  
14 two-thirds of the member municipalities.

15 (3) An authority may not acquire by a device or means,  
16 including a consolidation, merger, purchase or lease or  
17 through the purchase of stock, bonds or other security, title  
18 to or possession or use of all or a substantial portion of a  
19 facility constituting a project, unless the authority has  
20 discussed the acquisition at a public meeting and the written  
21 minutes of the meeting contain details relating to the  
22 anticipated or projected public benefit that will be realized  
23 by the acquisition. For purposes of this paragraph, a public  
24 benefit may include rate reduction, improved service quality,  
25 improved service reliability or other clearly defined benefit  
26 to a ratepayer of the authority.

27 \* \* \*

28 SECTION 2. TITLE 53 IS AMENDED BY ADDING A SECTION TO READ: <--

29 § 5613.1. SALE OR TRANSFER OF AUTHORITY WATER OR SEWER  
30 INFRASTRUCTURE.

1       (A) PROHIBITION.--AN AUTHORITY MAY NOT SELL OR TRANSFER  
2 TITLE TO ALL OR A PORTION OF THE WATER OR SEWER INFRASTRUCTURE  
3 OF THE AUTHORITY, UNLESS THE AUTHORITY HAS DISCUSSED THE SALE OR  
4 TRANSFER AT A PUBLIC MEETING AND THE WRITTEN MINUTES OF THE  
5 MEETING CONTAIN DETAILS RELATING TO THE ANTICIPATED OR PROJECTED  
6 PUBLIC BENEFIT THAT WILL BE REALIZED BY THE SALE OR TRANSFER.

7       (B) DEFINITION.--AS USED IN THIS SECTION, THE TERM "PUBLIC  
8 BENEFIT" MAY INCLUDE A RATE REDUCTION, IMPROVED SERVICE QUALITY,  
9 IMPROVED SERVICE RELIABILITY OR OTHER CLEARLY DEFINED BENEFIT TO  
10 A RATEPAYER OF THE AUTHORITY.

11       Section 2 3. The addition of 53 Pa.C.S. § 5613(b)(3) shall <--  
12 apply to title to or possession or use of all or a substantial  
13 portion of a facility constituting a project which is acquired  
14 on or after the effective date of this section.

15       SECTION 4. THE ADDITION OF 53 PA.C.S. § 5613.1 SHALL APPLY <--  
16 TO THE SALE OR TRANSFER OF TITLE TO ALL OR A PORTION OF THE  
17 WATER OR SEWER INFRASTRUCTURE SOLD OR TRANSFERRED ON OR AFTER  
18 THE EFFECTIVE DATE OF THIS SECTION.

19       Section 3 5. This act shall take effect in 60 days. <--