

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

SENATOR HUTCHINSON, LOCAL GOVERNMENT, IN SENATE, AS AMENDED, JUNE 24, 2015

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing FOR MONEY OF AUTHORITY AND for transfer of existing <--
4 facilities to authority and providing for sale or transfer of
5 authority water or 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 SECTION 1. SECTIONS 5612(B) AND 5613(B) OF TITLE 53 OF THE <--
11 PENNSYLVANIA CONSOLIDATED STATUTES ARE AMENDED TO READ:

12 § 5612. MONEY OF AUTHORITY.

13 * * *

14 (B) REPORT.--[EVERY AUTHORITY WHOSE FISCAL YEAR ENDS
15 DECEMBER 31 SHALL FILE ON OR BEFORE JULY 1 AN ANNUAL REPORT OF
16 ITS FISCAL AFFAIRS COVERING THE PRECEDING CALENDAR YEAR WITH THE
17 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND WITH THE
18 MUNICIPALITY CREATING THE AUTHORITY ON FORMS PREPARED AND

1 DISTRIBUTED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
2 DEVELOPMENT. AUTHORITIES WHOSE FISCAL YEAR DOES NOT END ON
3 DECEMBER 31 SHALL FILE THE REPORT WITHIN 90 DAYS AFTER THE END
4 OF THEIR FISCAL YEAR.]

5 (1) EVERY AUTHORITY SHALL FILE, ON OR BEFORE 180 DAYS
6 FOLLOWING THE END OF ITS FISCAL YEAR, AN ANNUAL REPORT OF ITS
7 FISCAL AFFAIRS COVERING THE PRECEDING FISCAL YEAR WITH THE
8 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND WITH THE
9 MUNICIPALITY OR MUNICIPALITIES CREATING THE AUTHORITY ON
10 FORMS PREPARED AND DISTRIBUTED BY THE DEPARTMENT OF COMMUNITY
11 AND ECONOMIC DEVELOPMENT. THE REPORT SHALL ALSO BE PROVIDED,
12 AND MAY BE PROVIDED ELECTRONICALLY, TO ANY OTHER MUNICIPALITY
13 THAT HAS CUSTOMERS SERVED BY THE AUTHORITY.

14 (2) EVERY AUTHORITY SHALL HAVE ITS BOOKS, ACCOUNTS AND
15 RECORDS AUDITED ANNUALLY BY A CERTIFIED PUBLIC ACCOUNTANT,
16 AND A COPY OF HIS AUDIT REPORT SHALL BE FILED IN THE SAME
17 MANNER AND WITHIN THE SAME TIME PERIOD AS THE ANNUAL REPORT.
18 A CONCISE FINANCIAL STATEMENT SHALL BE PUBLISHED ANNUALLY AT
19 LEAST ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE
20 MUNICIPALITY WHERE THE PRINCIPAL OFFICE OF THE AUTHORITY IS
21 LOCATED. IF THE PUBLICATION IS NOT MADE BY THE AUTHORITY, THE
22 MUNICIPALITY SHALL PUBLISH SUCH STATEMENT AT THE EXPENSE OF
23 THE AUTHORITY. IF THE AUTHORITY FAILS TO MAKE SUCH AN AUDIT,
24 THEN THE CONTROLLER, AUDITOR OR ACCOUNTANT DESIGNATED BY THE
25 MUNICIPALITY IS HEREBY AUTHORIZED AND EMPOWERED FROM TIME TO
26 TIME TO EXAMINE AT THE EXPENSE OF THE AUTHORITY THE ACCOUNTS
27 AND BOOKS OF IT, INCLUDING ITS RECEIPTS, DISBURSEMENTS,
28 CONTRACTS, LEASES, SINKING FUNDS, INVESTMENTS AND ANY OTHER
29 MATTERS RELATING TO ITS FINANCES, OPERATION AND AFFAIRS.

30 * * *

1 § 5613. Transfer of existing facilities to authority.

2 * * *

3 (b) Acquisition.--

4 (1) An authority may not acquire by any device or means,
5 including a consolidation, merger, purchase or lease or
6 through the purchase of stock, bonds or other securities,
7 title to or possession or use of all or a substantial portion
8 of any existing facilities constituting a project [as defined
9 under this chapter] if the project is subject to the
10 jurisdiction of the Pennsylvania Public Utility Commission
11 without first reporting to and advising the municipality
12 which created or which are members of the authority of the
13 agreement to acquire, including all its terms and conditions.

14 (2) The proposed action of the authority and the
15 proposed agreement to acquire shall be approved by the
16 governing body of the municipality which created or which are
17 members of the authority and to which the report is made.
18 Where there are one or two member municipalities of the
19 authority, such approval shall be by two-thirds vote of all
20 of the members of the governing body or of each of the
21 governing bodies. If there are more than two member
22 municipalities of the authority, approval shall be by
23 majority vote of all the members of each governing body of
24 two-thirds of the member municipalities.

25 (3) An authority may not acquire by a device or means,
26 including a consolidation, merger, purchase or lease or
27 through the purchase of stock, bonds or other security, title
28 to or possession or use of all or a substantial portion of a
29 facility constituting a project, unless the authority has
30 discussed the acquisition at a public meeting and the written

1 minutes of the meeting contain details relating to the
2 anticipated or projected public benefit that will be realized
3 by the acquisition. For purposes of this paragraph, a public
4 benefit may include rate reduction, improved service quality,
5 RATE STABILIZATION, improved service reliability, ACTION <--
6 RESULTING FROM AN AGREEMENT WITH A FEDERAL OR STATE
7 REGULATORY AGENCY or other clearly defined benefit to a
8 ratepayer of the authority.

9 * * *

10 Section 2. Title 53 is amended by adding a section to read:

11 § 5613.1. Sale or transfer of authority water or sewer
12 infrastructure.

13 (a) Prohibition.--An authority may not sell or transfer
14 title to all or a portion of the water or sewer infrastructure
15 of the authority, unless the authority has discussed the sale or
16 transfer at a public meeting and the written minutes of the
17 meeting contain details relating to the anticipated or projected
18 public benefit that will be realized by the sale or transfer.

19 (b) Definition.--As used in this section, the term "public
20 benefit" may include a rate reduction, improved service quality,
21 RATE STABILIZATION, improved service reliability, ACTION <--
22 RESULTING FROM AN AGREEMENT WITH A FEDERAL OR STATE REGULATORY
23 AGENCY or other clearly defined benefit to a ratepayer of the
24 authority.

25 Section 3. The addition of 53 Pa.C.S. § 5613(b)(3) shall
26 apply to title to or possession or use of all or a substantial
27 portion of a facility constituting a project which is acquired
28 on or after the effective date of this section.

29 Section 4. The addition of 53 Pa.C.S. § 5613.1 shall apply
30 to the sale or transfer of title to all or a portion of the

1 water or sewer infrastructure sold or transferred on or after
2 the effective date of this section.

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