

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2557 Session of 2018

INTRODUCED BY ROTHMAN, KIM, KLUNK, TOBASH, RYAN, MILLARD, HELM, A. HARRIS, DIAMOND, GROVE, COMITTA, DERMODY, FRANKEL, FREEMAN, SCHLOSSBERG, SCHWEYER, PHILLIPS-HILL AND KAUFFMAN, OCTOBER 2, 2018

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 9, 2018

AN ACT

1 Amending the act of July 10, 1987 (P.L.246, No.47), entitled "An <--
2 act empowering the Department of Community and Economic
3 Development to assist municipalities in avoiding financial
4 distress; declare certain municipalities as financially
5 distressed; providing for the restructuring of debt of
6 financially distressed municipalities; limiting the ability
7 of financially distressed municipalities to obtain government
8 funding; authorizing municipalities to participate in Federal
9 debt adjustment actions and bankruptcy actions under certain
10 circumstances; authorizing certain taxes; and providing for
11 the disincorporation of municipalities and the establishment
12 of unincorporated service districts," in receivership in
13 municipalities, providing for tax levy.
14 ESTABLISHING INTERGOVERNMENTAL COOPERATION AUTHORITIES FOR <--
15 CERTAIN CITIES OF THE THIRD CLASS; PROVIDING FOR POWERS AND
16 DUTIES; AND MAKING AN APPROPRIATION.

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25       The General Assembly of the Commonwealth of Pennsylvania  
26 hereby enacts as follows:

27       ~~Section 1. The act of July 10, 1987 (P.L.246, No.47), known <--~~  
28 ~~as the Municipalities Financial Recovery Act, is amended by~~  
29 ~~adding a section to read:~~  
30 ~~Section 710.2. Tax levy.~~

1 ~~(a) Continuation. As of the date of the termination of~~  
2 ~~distressed status occurring after the termination of~~  
3 ~~receivership status under this act, a municipality that is~~  
4 ~~levying, or had been authorized to levy within the previous~~  
5 ~~three fiscal years, a local services tax in excess of \$52, a~~  
6 ~~judicially approved increase of a residential income tax rate,~~  
7 ~~or both, may, upon the termination of distressed status, without~~  
8 ~~court approval, levy the local services tax at a rate which does~~  
9 ~~not exceed \$150 per year, the residential income tax at a rate~~  
10 ~~that does not exceed a judicially approved rate levied in the~~  
11 ~~course of receivership or both, for any year wherein the~~  
12 ~~currently available actuarially reported net other~~  
13 ~~postemployment benefits obligation of the municipality exceeded,~~  
14 ~~by at least 17%, the year end balance of any other~~  
15 ~~postemployment benefits trust created by or for the municipality~~  
16 ~~as part of a recovery plan approved in this act. In the event~~  
17 ~~that a levy is made in excess of \$52 for the local services tax,~~  
18 ~~a levy made in excess of 1% for residential income tax, or both,~~  
19 ~~the municipality shall solely apply local service taxes in~~  
20 ~~excess of \$52 and a portion of residential income taxes in~~  
21 ~~excess of 1% in an amount that equals nonresident income taxes~~  
22 ~~paid for the year immediately preceding receivership, if any, to~~  
23 ~~defray current year other postemployment benefit obligations and~~  
24 ~~other postemployment benefit trust contributions or both, until~~  
25 ~~the other postemployment benefit trust ceases or the actuarial~~  
26 ~~audited other postemployment benefit trust balance equals or~~  
27 ~~exceeds 85% of the actuarially reported net other postemployment~~  
28 ~~benefit obligation of the municipality.~~

29 ~~(b) Report. The following shall apply:~~

30 ~~(1) For each fiscal year that a municipality levies a~~

1 ~~local services tax, residential income tax or both at a rate~~  
2 ~~as authorized in subsection (a), the municipality shall,~~  
3 ~~within 60 days following the end of that fiscal year, prepare~~  
4 ~~a report setting forth:~~

5 ~~(i) The total local services tax, residential income~~  
6 ~~tax or both collected.~~

7 ~~(ii) The currently available actuarially reported~~  
8 ~~net other postemployment benefits obligations of the~~  
9 ~~municipality.~~

10 ~~(iii) The year end balance of any other~~  
11 ~~postemployment benefits trust.~~

12 ~~(iv) The amount of local services tax, residential~~  
13 ~~income tax or both applied solely to defray current year~~  
14 ~~other postemployment benefit trust obligations, other~~  
15 ~~postemployment benefit contributions or both.~~

16 ~~(2) The report required by paragraph (1) shall be~~  
17 ~~submitted to:~~

18 ~~(i) The Secretary of Community and Economic~~  
19 ~~Development.~~

20 ~~(ii) The President pro tempore of the Senate.~~

21 ~~(iii) The Speaker of the House of Representatives.~~

22 ~~(iv) The Minority Leader of the Senate.~~

23 ~~(v) The Minority Leader of the House of~~  
24 ~~Representatives.~~

25 ~~(vi) The chair and minority chair of the Local~~  
26 ~~Government Committee of the Senate.~~

27 ~~(vii) The chair and minority chair of the Local~~  
28 ~~Government Committee of the House of Representatives.~~

29 ~~(3) A review committee, comprised of the individuals set~~  
30 ~~forth in paragraph (2), the mayor and three members of the~~

~~1 local business community designated by the mayor, shall meet  
2 annually within 60 days following submission of the report as  
3 provided in paragraph (2) to review the report. Within 60  
4 days following the fifth annual meeting, the committee shall  
5 prepare and submit final recommendations to the General  
6 Assembly and the city regarding taxation authorized by this  
7 section. The individuals set forth in paragraph (2) and the  
8 mayor may appoint a designee.~~

~~9 (c) Prohibition on commuter tax. A city of the third class  
10 with a population of between 40,000 and 50,000 as of the 2010  
11 decennial census which is located in a county of the third class  
12 with a population of between 240,000 and 275,000 as of the 2010  
13 decennial census that opts to levy rates of taxation authorized  
14 by this section shall be subject to the prohibition on imposing  
15 a tax or fee on the earned income of nonresidents provided in  
16 chapter 6.~~

~~17 Section 2. This act shall take effect in 60 days.~~

## CHAPTER 1

### GENERAL PROVISIONS

SECTION 101. SHORT TITLE.

THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE  
INTERGOVERNMENTAL COOPERATION AUTHORITIES ACT FOR CITIES OF THE  
THIRD CLASS.

SECTION 102. PURPOSE AND LEGISLATIVE INTENT.

(A) POLICY.--IT IS HEREBY DECLARED TO BE A PUBLIC POLICY OF  
THE COMMONWEALTH TO EXERCISE ITS RETAINED SOVEREIGN POWERS WITH  
REGARD TO TAXATION AND MATTERS OF STATEWIDE CONCERN IN A MANNER  
CALCULATED TO FOSTER THE FISCAL INTEGRITY OF CITIES OF THE THIRD  
CLASS TO ASSURE THAT THEY:

(1) PROVIDE FOR THE HEALTH, SAFETY AND WELFARE OF THEIR

1 RESIDENTS;

2 (2) PAY PRINCIPAL AND INTEREST OWED ON THEIR DEBT  
3 OBLIGATIONS WHEN DUE;

4 (3) MEET FINANCIAL OBLIGATIONS TO THEIR EMPLOYEES,  
5 VENDORS AND SUPPLIERS; AND

6 (4) PROVIDE FOR PROPER FINANCIAL PLANNING PROCEDURES AND  
7 BUDGETING PRACTICES.

8 THE INABILITY OF A CITY OF THE THIRD CLASS TO PROVIDE ESSENTIAL  
9 SERVICES TO ITS RESIDENTS AS A RESULT OF A FISCAL EMERGENCY IS  
10 DETERMINED TO AFFECT ADVERSELY THE HEALTH, SAFETY AND WELFARE  
11 NOT ONLY OF THE RESIDENTS OF THE CITY BUT ALSO OF OTHER  
12 RESIDENTS OF THIS COMMONWEALTH.

13 (B) LEGISLATIVE INTENT.--

14 (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

15 (I) PROVIDE CITIES OF THE THIRD CLASS WITH THE LEGAL  
16 TOOLS WITH WHICH THEY CAN PERFORM ESSENTIAL MUNICIPAL  
17 SERVICES; AND

18 (II) FOSTER SOUND FINANCIAL PLANNING AND BUDGETARY  
19 PRACTICES FOR CITIES OF THE THIRD CLASS, WHICH CITIES  
20 WILL BE CHARGED WITH THE RESPONSIBILITY TO EXERCISE  
21 EFFICIENT AND ACCOUNTABLE FISCAL PRACTICES, SUCH AS:

22 (A) INCREASED MANAGERIAL ACCOUNTABILITY;

23 (B) CONSOLIDATION OR ELIMINATION OF INEFFICIENT  
24 CITY PROGRAMS AND AUTHORITIES;

25 (C) REEVALUATION OF TAX EXEMPTION POLICIES WITH  
26 REGARD TO REAL PROPERTY TAXES;

27 (D) INCREASED COLLECTION OF EXISTING TAX  
28 REVENUES;

29 (E) PRIVATIZATION OR OUTSOURCING OF APPROPRIATE  
30 CITY SERVICES;

1 (F) SALE OF CITY ASSETS AS APPROPRIATE;  
2 (G) IMPROVEMENT OF PROCUREMENT PRACTICES,  
3 INCLUDING COMPETITIVE BIDDING PROCEDURES; AND  
4 (H) REVIEW OF COMPENSATION AND BENEFITS OF CITY  
5 EMPLOYEES.

6 (2) THIS ACT IS INTENDED TO REMEDY THE APPARENT FISCAL  
7 EMERGENCY CONFRONTING CITIES OF THE THIRD CLASS THROUGH THE  
8 IMPLEMENTATION OF SOVEREIGN POWERS OF THE COMMONWEALTH. TO  
9 SAFEGUARD THE RIGHTS OF THE RESIDENTS OF THIS COMMONWEALTH TO  
10 THE ELECTORAL PROCESS AND HOME RULE, THE GENERAL ASSEMBLY  
11 INTENDS TO EXERCISE ITS POWER IN AN APPROPRIATE MANNER WITH  
12 THE ELECTED OFFICERS OF CITIES OF THE THIRD CLASS.

13 SECTION 103. LEGISLATIVE FINDINGS.

14 IT IS HEREBY DETERMINED AND DECLARED AS A MATTER OF  
15 LEGISLATIVE FINDING THAT:

16 (1) SOME CITIES OF THE THIRD CLASS HAVE ENCOUNTERED  
17 RECURRING FINANCIAL DIFFICULTIES THAT MAY AFFECT THE  
18 PERFORMANCE OF NECESSARY MUNICIPAL SERVICES TO THE DETRIMENT  
19 OF THE HEALTH, SAFETY AND GENERAL WELFARE OF RESIDENTS OF  
20 THOSE CITIES.

21 (2) IT IS CRITICALLY IMPORTANT THAT CITIES OF THE THIRD  
22 CLASS MAINTAIN THEIR CREDITWORTHINESS.

23 (3) DUE TO THE ECONOMIC AND SOCIAL INTERRELATIONSHIP  
24 AMONG ALL RESIDENTS IN OUR ECONOMY, THE FISCAL INTEGRITY OF  
25 CITIES OF THE THIRD CLASS IS A MATTER OF CONCERN TO ALL  
26 RESIDENTS OF THIS COMMONWEALTH, AND THE FINANCIAL PROBLEMS OF  
27 THESE CITIES HAVE A DIRECT AND NEGATIVE EFFECT ON THE ENTIRE  
28 COMMONWEALTH.

29 (4) BECAUSE CITIES OF THE THIRD CLASS CONSUME A  
30 SUBSTANTIAL PROPORTION OF THE PRODUCTS OF PENNSYLVANIA'S

1 FARMS, FACTORIES, MANUFACTURING PLANTS AND SERVICE  
2 ENTERPRISES, ECONOMIC DIFFICULTIES CONFRONTING CITIES OF THE  
3 THIRD CLASS DETRIMENTALLY AFFECT THE ECONOMY OF THE  
4 COMMONWEALTH AS A WHOLE AND BECOME A MATTER OF STATEWIDE  
5 CONCERN.

6 (5) BECAUSE RESIDENTS OF CITIES OF THE THIRD CLASS  
7 CONTRIBUTE A SUBSTANTIAL PROPORTION OF ALL COMMONWEALTH TAX  
8 REVENUES, A DISRUPTION OF THE ECONOMIC AND SOCIAL LIFE OF  
9 THESE CITIES MAY HAVE A SIGNIFICANT DETRIMENTAL EFFECT ON  
10 COMMONWEALTH REVENUES.

11 (6) THE FINANCIAL DIFFICULTIES OF CITIES OF THE THIRD  
12 CLASS CAN BEST BE ADDRESSED AND RESOLVED BY COOPERATION  
13 BETWEEN GOVERNMENTAL ENTITIES.

14 (7) THE CONSTITUTION OF PENNSYLVANIA GRANTS  
15 MUNICIPALITIES AUTHORITY TO COOPERATE WITH OTHER GOVERNMENTAL  
16 ENTITIES IN THE EXERCISE OF ANY FUNCTION OR RESPONSIBILITY.

17 (8) THE COMMONWEALTH RETAINS CERTAIN SOVEREIGN POWERS  
18 WITH RESPECT TO CITIES OF THE THIRD CLASS, AMONG THEM THE  
19 POWERS TO AUTHORIZE AND LEVY TAXES, TO AUTHORIZE THE  
20 INCURRING OF INDEBTEDNESS AND TO PROVIDE FINANCIAL ASSISTANCE  
21 THAT MAY BE NECESSARY TO ASSIST CITIES IN SOLVING THEIR  
22 FINANCIAL PROBLEMS.

23 (9) THE COMMONWEALTH MAY ATTACH CONDITIONS TO GRANTS OF  
24 AUTHORITY TO INCUR INDEBTEDNESS OR ASSISTANCE TO CITIES OF  
25 THE THIRD CLASS IN ORDER TO ENSURE THAT DEFICITS ARE  
26 ELIMINATED AND ACCESS TO CAPITAL MARKETS IS ACHIEVED AND  
27 MAINTAINED.

28 (10) THE CONDITIONS MUST BE INCORPORATED INTO  
29 INTERGOVERNMENTAL COOPERATION AGREEMENTS BETWEEN THE  
30 COMMONWEALTH OR ITS INSTRUMENTALITIES AND CITIES OF THE THIRD



1 CLASS.

2 (11) CITIES OF THE THIRD CLASS AND THE COMMONWEALTH WILL  
3 BENEFIT FROM THE CREATION OF AN INDEPENDENT AUTHORITY  
4 COMPOSED OF MEMBERS EXPERIENCED IN FINANCE AND MANAGEMENT  
5 THAT ADVISES THE CITIES, THE GENERAL ASSEMBLY AND THE  
6 GOVERNOR CONCERNING SOLUTIONS TO FISCAL PROBLEMS CITIES OF  
7 THE THIRD CLASS MAY FACE.

8 (12) THE CREATION OF AN AUTHORITY WILL ALLOW CITIES OF  
9 THE THIRD CLASS TO CONTINUE TO PROVIDE THE NECESSARY  
10 MUNICIPAL SERVICES FOR THEIR RESIDENTS AND TO CONTRIBUTE TO  
11 THE ECONOMY OF THIS COMMONWEALTH.

12 SECTION 104. DEFINITIONS.

13 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL  
14 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
15 CONTEXT CLEARLY INDICATES OTHERWISE:

16 "ASSISTED CITY." A CITY FOR WHICH AN AUTHORITY HAS BEEN  
17 ESTABLISHED UNDER SECTION 201. THE TERM INCLUDES ANY MUNICIPAL  
18 AUTHORITY, OTHER AUTHORITY OR OTHER CORPORATE ENTITY THAT  
19 DIRECTLY OR INDIRECTLY PERFORMS A GOVERNMENTAL FUNCTION ON  
20 BEHALF OF THE CITY, IS DIRECTLY OR INDIRECTLY CONTROLLED BY THE  
21 CITY OR TO WHICH A CITY HAS DIRECT OR INDIRECT POWER OF  
22 APPOINTMENT OR HAS DIRECTLY OR INDIRECTLY PLEDGED OR DESIGNATED  
23 THE CITY'S REVENUES OR THE CITY'S CREDIT.

24 "AUTHORITY." AN INTERGOVERNMENTAL COOPERATION AUTHORITY  
25 ESTABLISHED IN SECTION 201.

26 "BOARD." THE GOVERNING BOARD OF AN AUTHORITY.

27 "CHIEF FISCAL OFFICER." A MUNICIPAL OFFICIAL IN AN ASSISTED  
28 CITY DESIGNATED AS FOLLOWS:

29 (1) IN THE CASE OF A CITY WHERE THE MAYOR IS RESPONSIBLE  
30 FOR PROPOSING THE CITY'S ANNUAL BUDGET, THE CHIEF FISCAL

1 OFFICER SHALL BE THE MAYOR.

2 (2) IN THE CASE OF A CITY WHERE THE BUDGET IS PROPOSED  
3 TO THE GOVERNING BODY BY AN EMPLOYEE OR APPOINTEE OF THE  
4 CITY, THE CHIEF FISCAL OFFICER SHALL BE THE PRESIDING OFFICER  
5 OF THE GOVERNING BODY.

6 "CITY." A CITY OF THE THIRD CLASS OR A HOME RULE  
7 MUNICIPALITY WHICH WAS PREVIOUSLY A CITY OF THE THIRD CLASS:

8 (1) WITH A POPULATION OF AT LEAST 48,000 AND NOT MORE  
9 THAN 55,000 BASED ON THE MOST RECENT FEDERAL DECENNIAL CENSUS  
10 AT THE TIME RECEIVERSHIP WAS TERMINATED;

11 (2) FOR WHICH A COORDINATOR UNDER CHAPTER 2 OF THE ACT  
12 OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE  
13 MUNICIPALITIES FINANCIAL RECOVERY ACT, IS OR HAS BEEN  
14 APPOINTED; AND

15 (3) FOR WHICH RECEIVERSHIP HAS BEEN TERMINATED.

16 "CITY ACCOUNT." A TRUST FUND HELD FOR THE EXCLUSIVE BENEFIT  
17 OF AN ASSISTED CITY.

18 "CONTROLLER." THE ELECTED CONTROLLER OF A CITY. IN THE CASE  
19 OF A CITY WHICH DOES NOT ELECT A CONTROLLER, THE TERM SHALL  
20 REFER TO A PERSON DESIGNATED BY THE INTERGOVERNMENTAL  
21 COOPERATION AGREEMENT TO ADMINISTER FINANCIAL CONTROLS FOR THE  
22 CITY.

23 "CORPORATE ENTITY." A MUNICIPAL AUTHORITY, OTHER AUTHORITY  
24 OR OTHER CORPORATE ENTITY THAT PERFORMS A GOVERNMENTAL FUNCTION  
25 ON BEHALF OF AN ASSISTED CITY OR TO WHICH AN ASSISTED CITY HAS  
26 POWER OF APPOINTMENT OR HAS PLEDGED OR DESIGNATED REVENUES.

27 "DEFICIT." A NEGATIVE FUND BALANCE IN ANY PRINCIPAL  
28 OPERATING FUND OR FUNDS OF AN ASSISTED CITY OR CORPORATE ENTITY  
29 EXISTING AT THE BEGINNING OF A FISCAL YEAR OF THE ASSISTED CITY  
30 OR PROJECTED TO EXIST AS OF THE CLOSE OF A FISCAL YEAR OF THE

1 ASSISTED CITY AS MAY BE MORE SPECIFICALLY IDENTIFIED, CALCULATED  
2 AND SPECIFIED IN AN INTERGOVERNMENTAL COOPERATION AGREEMENT OR  
3 FINANCIAL PLAN OF AN ASSISTED CITY DESCRIBED IN SECTION 209.

4 "FEDERAL AGENCY." THE UNITED STATES, THE PRESIDENT OF THE  
5 UNITED STATES AND A DEPARTMENT OR CORPORATION, AGENCY OR  
6 INSTRUMENTALITY CREATED, DESIGNATED OR ESTABLISHED BY THE UNITED  
7 STATES.

8 "GOVERNING BODY." THE LEGISLATIVE BODY OF A CITY.

9 "GOVERNING LAW." THE APPLICABLE STATUTES, HOME RULE CHARTER,  
10 OPTIONAL PLAN OR OPTIONAL CHARTER THAT PROVIDES FOR THE  
11 OFFICERS, DUTIES AND POWERS OF A CITY.

12 "GOVERNMENT AGENCY." THE GOVERNOR, DEPARTMENT, BOARD,  
13 COMMISSION, AUTHORITY AND AN OFFICER OR AGENCY OF STATE  
14 GOVERNMENT, INCLUDING ANY THAT IS NOT SUBJECT TO THE POLICY  
15 SUPERVISION AND CONTROL OF THE GOVERNOR, A POLITICAL  
16 SUBDIVISION, MUNICIPAL OR OTHER LOCAL AUTHORITY AND AN OFFICER  
17 OR AGENCY OF A POLITICAL SUBDIVISION OR LOCAL AUTHORITY. THE  
18 TERM DOES NOT INCLUDE A COURT OR OTHER OFFICER OR AGENCY OF THE  
19 UNIFIED JUDICIAL SYSTEM OR THE GENERAL ASSEMBLY OR ANY OF ITS  
20 OFFICERS AND AGENCIES.

21 "INTERGOVERNMENTAL COOPERATION AGREEMENT." AN AGREEMENT  
22 BETWEEN AN AUTHORITY AND A CITY ENTERED INTO UNDER THE  
23 PROVISIONS OF SECTION 203(D).

24 "PARTY OFFICER." THE FOLLOWING MEMBERS OR OFFICERS OF A  
25 POLITICAL PARTY:

26 (1) A MEMBER OF A NATIONAL COMMITTEE;

27 (2) A CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER OR  
28 COUNSEL OF A STATE COMMITTEE OR MEMBER OF THE EXECUTIVE  
29 COMMITTEE OF A STATE COMMITTEE;

30 (3) A COUNTY CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY

1 OR TREASURER OF A COUNTY COMMITTEE; OR  
2 (4) A CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY,  
3 TREASURER OR WARD LEADER OF A CITY OR MUNICIPAL COMMITTEE.  
4 "PUBLIC OFFICIAL." AN ELECTED OR APPOINTED OFFICIAL OR  
5 EMPLOYEE IN THE EXECUTIVE, LEGISLATIVE OR JUDICIAL BRANCH OF THE  
6 COMMONWEALTH OR A POLITICAL SUBDIVISION THEREOF. THE TERM DOES  
7 NOT INCLUDE:

8 (1) A MEMBER OF AN ADVISORY BOARD THAT HAS NO AUTHORITY  
9 TO EXPEND PUBLIC FUNDS OTHER THAN REIMBURSEMENT FOR PERSONAL  
10 EXPENSE OR TO OTHERWISE EXERCISE THE POWER OF THE  
11 COMMONWEALTH OR A POLITICAL SUBDIVISION THEREOF.

12 (2) AN APPOINTED OFFICIAL WHO RECEIVES NO COMPENSATION  
13 OTHER THAN REIMBURSEMENT FOR ACTUAL EXPENSES.

14 "TERMINATION DATE." DECEMBER 31 OF THE FOURTH FULL CALENDAR  
15 YEAR FOLLOWING THE YEAR IN WHICH AN INTERGOVERNMENTAL  
16 COOPERATION AGREEMENT IS ENTERED INTO UNDER SECTION 203(D).

17 CHAPTER 2

18 INTERGOVERNMENTAL COOPERATION AUTHORITIES

19 FOR CITIES OF THE THIRD CLASS

20 SECTION 201. AUTHORITIES ESTABLISHED.

21 (A) GENERAL RULE.--A BODY CORPORATE AND POLITIC TO BE KNOWN  
22 AS THE INTERGOVERNMENTAL COOPERATION AUTHORITY FOR (NAME OF  
23 CITY) IS ESTABLISHED AS A PUBLIC AUTHORITY AND INSTRUMENTALITY  
24 OF THE COMMONWEALTH FOR EACH CITY THAT SHALL EXERCISE PUBLIC  
25 POWERS OF THE COMMONWEALTH AS AN AGENCY AND INSTRUMENTALITY  
26 THEREOF. THE EXERCISE BY THE AUTHORITY OF THE POWERS CONFERRED  
27 BY THIS ACT IS DECLARED TO BE AND SHALL FOR ALL PURPOSES BE  
28 DEEMED AND HELD TO BE THE PERFORMANCE OF AN ESSENTIAL PUBLIC  
29 FUNCTION.

30 (B) SEPARATE AUTHORITIES.--A SEPARATE INTERGOVERNMENTAL

1 COOPERATION AUTHORITY SHALL BE ESTABLISHED FOR EACH CITY.

2 SECTION 202. GOVERNING BOARD.

3 (A) COMPOSITION OF BOARD.--

4 (1) THE POWERS AND DUTIES OF AN AUTHORITY SHALL BE  
5 EXERCISED BY A GOVERNING BOARD COMPOSED OF FIVE MEMBERS  
6 APPOINTED AS FOLLOWS:

7 (I) ONE MEMBER SHALL BE APPOINTED BY THE GOVERNOR.

8 (II) ONE MEMBER SHALL BE APPOINTED BY THE PRESIDENT  
9 PRO TEMPORE OF THE SENATE.

10 (III) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY  
11 LEADER OF THE SENATE.

12 (IV) ONE MEMBER SHALL BE APPOINTED BY THE SPEAKER OF  
13 THE HOUSE OF REPRESENTATIVES.

14 (V) ONE MEMBER SHALL BE APPOINTED BY THE MINORITY  
15 LEADER OF THE HOUSE OF REPRESENTATIVES.

16 (VI) THE SECRETARY OF THE BUDGET AND THE CONTROLLER  
17 OF AN ASSISTED CITY SHALL SERVE AS EX OFFICIO MEMBERS OF  
18 THE BOARD. THE EX OFFICIO MEMBERS MAY NOT VOTE AND SHALL  
19 NOT BE COUNTED FOR PURPOSES OF ESTABLISHING A QUORUM. THE  
20 SECRETARY OF THE BUDGET AND THE CONTROLLER OF AN ASSISTED  
21 CITY MAY DESIGNATE IN WRITING A REPRESENTATIVE OF THEIR  
22 RESPECTIVE OFFICES TO ATTEND MEETINGS OF THE BOARD ON  
23 THEIR BEHALF.

24 (2) ALL MEMBERS AND DESIGNEES MUST HAVE SUBSTANTIAL  
25 EXPERIENCE IN FINANCE OR MANAGEMENT.

26 (3) ALL MEMBERS OF THE BOARD MUST BE RESIDENTS OF THIS  
27 COMMONWEALTH AND, EXCEPT THE SECRETARY OF THE BUDGET, MUST  
28 EITHER BE RESIDENTS OF THE ASSISTED CITY OR HAVE THEIR  
29 PRIMARY PLACES OF BUSINESS OR EMPLOYMENT IN THAT CITY.

30 (B) TERM.--

1           (1) APPOINTING AUTHORITIES SHALL APPOINT THE INITIAL  
2 MEMBERS OF THE BOARD WITHIN 30 DAYS OF THE DATE OF  
3 TERMINATION OF RECEIVERSHIP OR THE EFFECTIVE DATE OF THIS  
4 SECTION, WHICHEVER IS LATER. THE APPOINTED MEMBERS SHALL  
5 SELECT A CHAIRPERSON FROM AMONG THEMSELVES AT THE INITIAL  
6 ORGANIZATIONAL MEETING OF THE BOARD AND FOR ANY SUBSEQUENT  
7 VACANCY IN THE OFFICE OF CHAIRPERSON. THE TERM OF A BOARD  
8 MEMBER SHALL BEGIN ON THE DATE OF THE APPOINTMENT. EXCEPT AS  
9 PROVIDED IN PARAGRAPH (3), A MEMBER'S TERM SHALL BE  
10 COTERMINOUS WITH THAT OF THE APPOINTING AUTHORITY.

11           (2) THE MEMBER SELECTED AS CHAIRPERSON SHALL SERVE IN  
12 THAT CAPACITY FOR TWO YEARS FROM THE DATE OF SELECTION OR FOR  
13 THE DURATION OF THE MEMBER'S TERM ON THE BOARD, WHICHEVER IS  
14 A SHORTER PERIOD OF TIME, AND MAY BE REELECTED AS CHAIRPERSON  
15 TO SUBSEQUENT TWO-YEAR TERMS.

16           (3) AN APPOINTED BOARD MEMBER SHALL SERVE AT THE  
17 PLEASURE OF THE MEMBER'S APPOINTING AUTHORITY.

18           (4) WHENEVER A VACANCY OCCURS AMONG THE APPOINTED  
19 MEMBERS ON THE BOARD, WHETHER PRIOR TO OR ON THE EXPIRATION  
20 OF A TERM, THE APPOINTING AUTHORITY WHO ORIGINALLY APPOINTED  
21 THE BOARD MEMBER WHOSE SEAT HAS BECOME VACANT SHALL APPOINT A  
22 SUCCESSOR MEMBER WITHIN 30 DAYS OF THE VACANCY.

23           (5) A MEMBER APPOINTED BY AN APPOINTING AUTHORITY TO  
24 FILL A VACANCY OCCURRING PRIOR TO THE EXPIRATION OF A TERM  
25 SHALL SERVE THE UNEXPIRED TERM.

26 (C) ORGANIZATION.--

27           (1) THE APPOINTEES OF THE PRESIDENT PRO TEMPORE OF THE  
28 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL  
29 SET A DATE, TIME AND PLACE FOR THE INITIAL ORGANIZATIONAL  
30 MEETING OF THE BOARD WITHIN 40 DAYS OF THE DATE OF

1 TERMINATION OF RECEIVERSHIP OR THE EFFECTIVE DATE OF THIS  
2 SECTION, WHICHEVER IS LATER. THE INITIAL ORGANIZATIONAL  
3 MEETING SHALL BE HELD WITHIN 45 DAYS OF THE DATE OF  
4 TERMINATION OF RECEIVERSHIP OR THE EFFECTIVE DATE OF THIS  
5 SECTION, WHICHEVER IS LATER.

6 (2) IN ADDITION TO THE CHAIRPERSON, THE MEMBERS SHALL  
7 ELECT OTHER OFFICERS AS THEY MAY DETERMINE.

8 (3) A MEMBER MAY HOLD MORE THAN ONE OFFICE OF THE BOARD  
9 AT ANY TIME.

10 (D) MEETINGS.--

11 (1) AFTER THE INITIAL ORGANIZATIONAL MEETING, THE BOARD  
12 SHALL MEET AS FREQUENTLY AS IT DEEMS APPROPRIATE BUT AT LEAST  
13 ONCE DURING EACH QUARTER OF THE FISCAL YEAR OF THE AUTHORITY.

14 (2) A MEETING OF THE BOARD SHALL BE CALLED BY THE  
15 CHAIRPERSON IF A REQUEST FOR A MEETING IS SUBMITTED TO THE  
16 CHAIRPERSON BY AT LEAST TWO MEMBERS OF THE BOARD.

17 (D.1) QUORUM AND OPEN MEETINGS.--

18 (1) A MAJORITY OF THE BOARD SHALL CONSTITUTE A QUORUM  
19 FOR THE PURPOSE OF CONDUCTING THE BUSINESS OF THE BOARD AND  
20 FOR ALL OTHER PURPOSES.

21 (2) ALL ACTIONS OF THE BOARD SHALL BE TAKEN BY A  
22 MAJORITY OF THE BOARD MEMBERS PRESENT, EXCEPT AS OTHERWISE  
23 SPECIFICALLY PROVIDED IN THIS ACT.

24 (3) THE PROVISIONS OF 65 PA.C.S. CH. 7 (RELATING TO OPEN  
25 MEETINGS) SHALL APPLY TO THE BOARD.

26 (E) EXPENSES.--A MEMBER MAY NOT RECEIVE COMPENSATION OR  
27 REMUNERATION BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR ALL  
28 REASONABLE AND NECESSARY ACTUAL EXPENSES.

29 (F) EMPLOYEES AND AGENTS.--

30 (1) THE BOARD SHALL FIX AND DETERMINE THE NUMBER OF

1 EMPLOYEES OF THE AUTHORITY AND THEIR RESPECTIVE COMPENSATION  
2 AND DUTIES.

3 (2) THE BOARD MAY CONTRACT FOR OR RECEIVE THE LOAN OF  
4 SERVICES OF PERSONS IN THE EMPLOY OF OTHER GOVERNMENT  
5 AGENCIES, AND OTHER GOVERNMENT AGENCIES MAY MAKE THOSE  
6 EMPLOYEES AVAILABLE.

7 (3) THE BOARD MAY RETAIN AN EXECUTIVE DIRECTOR.

8 (4) THE BOARD MAY HIRE AN INDEPENDENT GENERAL COUNSEL TO  
9 THE AUTHORITY AND MAY ENGAGE CONSULTANTS AND CONTRACT FOR  
10 OTHER PROFESSIONAL SERVICES.

11 (5) THE BOARD MAY DELEGATE TO THE EXECUTIVE DIRECTOR  
12 POWERS OF THE BOARD AS THE BOARD DEEMS NECESSARY TO CARRY OUT  
13 THE PURPOSES OF THE AUTHORITY, SUBJECT IN EVERY CASE TO THE  
14 SUPERVISION AND CONTROL OF THE BOARD.

15 (G) PUBLIC OFFICIALS AND PARTY OFFICERS.--

16 (1) THE FOLLOWING PROVISIONS APPLY TO MEMBERS OF THE  
17 BOARD AND THE EXECUTIVE DIRECTOR:

18 (I) EXCEPT FOR THE SECRETARY OF THE BUDGET AND THE  
19 DIRECTOR OF FINANCE OF AN ASSISTED CITY, NEITHER MEMBERS  
20 OF THE BOARD NOR THE EXECUTIVE DIRECTOR SHALL SEEK OR  
21 HOLD A POSITION AS ANY OTHER PUBLIC OFFICIAL WITHIN THIS  
22 COMMONWEALTH OR AS A PARTY OFFICER WHILE IN THE SERVICE  
23 OF THE AUTHORITY.

24 (II) MEMBERS OF THE BOARD AND THE EXECUTIVE DIRECTOR  
25 MAY NOT SEEK ELECTION AS PUBLIC OFFICIALS OR PARTY  
26 OFFICERS FOR ONE YEAR AFTER THEIR SERVICE WITH THE  
27 AUTHORITY.

28 (III) MEMBERS OF THE BOARD AND THE EXECUTIVE  
29 DIRECTOR MAY SERVE AS APPOINTED PUBLIC OFFICIALS ANY TIME  
30 AFTER THEIR PERIODS OF SERVICE WITH THE AUTHORITY.



1           (2) THE FOLLOWING PROVISIONS APPLY TO EMPLOYEES AND  
2 AGENTS OF THE AUTHORITY, AS INDICATED:

3           (I) EMPLOYEES AND AGENTS OF THE AUTHORITY MAY NOT  
4 SEEK OR HOLD OTHER POSITIONS AS PUBLIC OFFICIALS OR PARTY  
5 OFFICERS WHILE IN THE EMPLOY OF THE AUTHORITY. THE  
6 AUTHORITY MAY RECEIVE THE LOAN OF SERVICES OF PERSONS IN  
7 OTHER GOVERNMENT AGENCIES IN ACCORDANCE WITH SUBSECTION  
8 (F), NOTWITHSTANDING THAT THOSE PERSONS ARE PUBLIC  
9 OFFICIALS.

10          (II) EMPLOYEES OF THE AUTHORITY MAY NOT SEEK  
11 ELECTION AS PUBLIC OFFICIALS OR PARTY OFFICERS FOR ONE  
12 YEAR AFTER LEAVING THE EMPLOY OF THE AUTHORITY.

13          (3) NO MEMBER OF THE BOARD OR EMPLOYEE OF THE AUTHORITY  
14 MAY:

15           (I) DIRECTLY OR INDIRECTLY BE A PARTY TO OR BE  
16 INTERESTED IN ANY CONTRACT OR AGREEMENT WITH THE  
17 AUTHORITY OR WITH THE ASSISTED CITY; OR

18           (II) USE HIS OFFICE OR EMPLOYMENT OR ANY  
19 CONFIDENTIAL INFORMATION RECEIVED THROUGH HIS OFFICE OR  
20 EMPLOYMENT FOR THE PRIVATE PECUNIARY BENEFIT OF HIMSELF,  
21 A MEMBER OF HIS IMMEDIATE FAMILY OR A BUSINESS WITH WHICH  
22 HE OR A MEMBER OF HIS IMMEDIATE FAMILY IS ASSOCIATED.

23          (4) ANY MEMBER OR EMPLOYEE WHO SHALL WILLFULLY VIOLATE  
24 PARAGRAPH (3) SHALL FORFEIT HIS OFFICE OR EMPLOYMENT AND  
25 SHALL BE SUBJECT TO OTHER CRIMINAL AND CIVIL SANCTIONS AS MAY  
26 BE IMPOSED BY LAW.

27          (5) ANY CONTRACT OR AGREEMENT KNOWINGLY MADE IN  
28 CONTRAVENTION OF PARAGRAPH (3) SHALL BE VOID AND  
29 UNENFORCEABLE.

30          (6) FOR PURPOSES OF THIS SUBSECTION, THE TERM "IMMEDIATE

1 FAMILY" SHALL MEAN A PARENT, SPOUSE, CHILD, BROTHER OR  
2 SISTER.

3 (H) STATUTES APPLICABLE TO AUTHORITY.--

4 (1) THE PROVISIONS OF THE FOLLOWING ACTS SHALL APPLY TO  
5 THE BOARD:

6 (I) EXCEPT AS SPECIFIED IN PARAGRAPH (3), THE ACT OF  
7 JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE STATE  
8 ADVERSE INTEREST ACT.

9 (II) THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3),  
10 KNOWN AS THE RIGHT-TO-KNOW LAW.

11 (III) 62 PA.C.S. (RELATING TO PROCUREMENT).

12 (IV) 65 PA.C.S. CH. 7.

13 (V) 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS  
14 AND FINANCIAL DISCLOSURE).

15 (2) THE PROVISIONS OF THE FOLLOWING ACTS SHALL APPLY TO  
16 THE EXECUTIVE DIRECTOR OF THE AUTHORITY:

17 (I) EXCEPT AS SET FORTH IN PARAGRAPH (3), THE STATE  
18 ADVERSE INTEREST ACT.

19 (II) 65 PA.C.S. CH. 11.

20 (3) NOTWITHSTANDING THE PROVISIONS OF THE STATE ADVERSE  
21 INTEREST ACT, THE SECRETARY OF THE BUDGET AND THE DIRECTOR OF  
22 FINANCE OF AN ASSISTED CITY SHALL, WHILE SERVING AS EX  
23 OFFICIO MEMBERS OF THE BOARD, ALSO SERVE IN THEIR OFFICIAL  
24 CAPACITIES WITH RESPECT TO THE NEGOTIATION AND EXECUTION OF  
25 INTERGOVERNMENTAL COOPERATION AGREEMENTS AND OTHER AGREEMENTS  
26 BETWEEN THE ASSISTED CITY AND THE AUTHORITY.

27 (I) ADVISORY COMMITTEE.--

28 (1) THE BOARD MAY APPOINT ONE ADVISORY COMMITTEE  
29 COMPRISED OF PROFESSIONALS ENGAGED IN MUNICIPAL MANAGEMENT  
30 AND FINANCE OR OTHER EXPERTS AS THE BOARD DEEMS NECESSARY.

1 THE MEMBERS OF AN ADVISORY COMMITTEE MUST RESIDE WITHIN THE  
2 ASSISTED CITY OR A COUNTY WITHIN THE STATISTICAL METROPOLITAN  
3 AREA IN WHICH THE ASSISTED CITY IS LOCATED.

4 (2) THE PROVISIONS OF SUBSECTION (G) SHALL BE APPLICABLE  
5 TO MEMBERS OF AN ADVISORY COMMITTEE; HOWEVER, THE BOARD MAY  
6 ALLOW THE GOVERNING BODY TO DESIGNATE A LIAISON FROM THE  
7 GOVERNING BODY TO SERVE ON AN ADVISORY COMMITTEE.

8 (3) AN ADVISORY COMMITTEE SHALL CONSIST OF NO MORE THAN  
9 SIX MEMBERS, EXCLUDING ANY LIAISON TO THE GOVERNING BODY.

10 (4) A MEMBER OF THE ADVISORY COMMITTEE SHALL NOT RECEIVE  
11 COMPENSATION OR REMUNERATION BUT SHALL BE ENTITLED TO  
12 REIMBURSEMENT FOR ALL REASONABLE AND NECESSARY ACTUAL  
13 EXPENSES.

14 SECTION 203. POWERS AND DUTIES.

15 (A) GENERAL POWERS AND DUTIES.--EACH AUTHORITY IS  
16 ESTABLISHED FOR THE PURPOSES, WITHOUT LIMITATION, BY ITSELF OR  
17 BY AGREEMENT IN COOPERATION WITH OTHERS, OF ASSISTING THE  
18 ASSISTED CITY IN SOLVING ITS BUDGETARY AND FINANCIAL PROBLEMS.

19 (B) SPECIFIC DUTIES.--EACH AUTHORITY SHALL HAVE THE  
20 FOLLOWING POWERS AND DUTIES:

21 (1) TO ASSIST THE ASSISTED CITY IN ACHIEVING FINANCIAL  
22 STABILITY IN ANY MANNER CONSISTENT WITH THE PURPOSES AND  
23 POWERS DESCRIBED BY THIS ACT.

24 (2) TO ASSIST THE ASSISTED CITY IN AVOIDING DEFAULTS,  
25 ELIMINATING AND FINANCING DEFICITS AND DEBTS, MAINTAINING  
26 SOUND BUDGETARY PRACTICES AND AVOIDING THE INTERRUPTION OF  
27 MUNICIPAL SERVICES.

28 (3) TO NEGOTIATE INTERGOVERNMENTAL COOPERATION  
29 AGREEMENTS WITH THE ASSISTED CITY CONTAINING TERMS AND  
30 CONDITIONS AS WILL ENABLE THE ASSISTED CITY TO ELIMINATE AND

1 AVOID DEFICITS, MAINTAIN SOUND BUDGETARY PRACTICES AND AVOID  
2 INTERRUPTION OF MUNICIPAL SERVICES.

3 (4) TO PREPARE AN ANNUAL REPORT WITHIN 120 DAYS AFTER  
4 THE CLOSE OF THE ASSISTED CITY'S FISCAL YEAR TO THE GOVERNOR  
5 AND THE GENERAL ASSEMBLY DESCRIBING THE ASSISTED CITY'S  
6 FINANCIAL CONDITION AND THE AUTHORITY'S PROGRESS WITH RESPECT  
7 TO RESTORING THE FINANCIAL STABILITY OF THE ASSISTED CITY AND  
8 ACHIEVING BALANCED BUDGETS FOR THE ASSISTED CITY. AN ANNUAL  
9 REPORT SHALL BE SIGNED BY THE CHAIRPERSON OF THE BOARD AND  
10 SHALL:

11 (I) BE SUBMITTED TO THE GOVERNOR, THE PRESIDING  
12 OFFICERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES,  
13 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE  
14 APPROPRIATIONS COMMITTEE OF THE SENATE AND THE  
15 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE  
16 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES  
17 AND THE GOVERNING BODY, CHIEF FISCAL OFFICER AND  
18 CONTROLLER OF THE ASSISTED CITY. THE REPORT SHALL BE  
19 PUBLICLY AVAILABLE IN THE ASSISTED CITY DURING NORMAL  
20 BUSINESS HOURS FOR PUBLIC INSPECTION, SHALL BE POSTED ON  
21 THE AUTHORITY'S PUBLICLY ACCESSIBLE INTERNET WEBSITE AND  
22 MAY BE PROVIDED TO A MEMBER OF THE PUBLIC UPON REQUEST AT  
23 A COST NOT TO EXCEED COMMERCIAL COSTS OF REPRODUCTION.

24 (II) CLEARLY SHOW BY CONSISTENT CATEGORY THE LAST  
25 FIVE YEARS OF OPERATING REVENUES AND EXPENDITURES,  
26 CAPITAL EXPENDITURES, GROSS AND NET INDEBTEDNESS  
27 TRANSACTIONS, INCLUDING A SCHEDULE OF PRINCIPAL AND  
28 INTEREST, FIVE-YEAR PROJECTIONS OF THE ASSISTED CITY'S  
29 OPERATING AND CAPITAL BUDGETS, AND THE ENTIRE PROJECTED  
30 INDEBTEDNESS TRANSACTIONS, INCLUDING A SCHEDULE OF

1 PRINCIPAL AND INTEREST OF THE INDEBTEDNESS UNTIL ANY AND  
2 ALL DEBT HAS BEEN COMPLETELY RETIRED.

3 (III) CONTAIN A NARRATIVE EXPLAINING PROGRESS OF THE  
4 ASSISTED CITY IN MEETING ITS ANNUAL AND FIVE-YEAR  
5 BUDGETARY OBJECTIVES, AN APPRAISAL BY THE AUTHORITY OF  
6 THE PROGRESS THE ASSISTED CITY IS MAKING TO ACHIEVE ITS  
7 GOALS AND AN APPRAISAL OF THE EXTENT TO WHICH THE  
8 ASSISTED CITY IS MAKING A GOOD FAITH EFFORT TO ACHIEVE  
9 ITS GOALS.

10 (IV) DISCLOSE ANY VIOLATIONS OF FEDERAL AND STATE  
11 LAW THAT THE AUTHORITY MAY HAVE DISCOVERED.

12 (V) INCLUDE AS APPENDIXES ALL HISTORICAL LOANS OR  
13 OTHER CONTRACTS ENTERED INTO BY THE ASSISTED CITY AND ITS  
14 CORPORATE ENTITIES.

15 (5) TO ESTABLISH AND MAINTAIN A PUBLICLY ACCESSIBLE  
16 INTERNET WEBSITE THAT CONTAINS, BUT IS NOT LIMITED TO, ALL OF  
17 THE FOLLOWING:

18 (I) INTERGOVERNMENTAL COOPERATION AGREEMENTS ENTERED  
19 INTO UNDER PARAGRAPH (3).

20 (II) ANNUAL REPORTS REQUIRED UNDER PARAGRAPH (4).

21 (III) THE AUTHORITY'S ANNUAL BUDGET ADOPTED UNDER  
22 SECTION 206.

23 (IV) ANNUAL REPORTS AND AUDITS REQUIRED UNDER  
24 SECTION 207.

25 (V) CONTRACTS THAT THE AUTHORITY HAS ENTERED INTO  
26 WITH THIRD PARTIES.

27 (6) TO ADOPT AND PUBLISH A RECORDS RETENTION POLICY THAT  
28 IS CONSISTENT WITH THE RECORDS RETENTION POLICY OF THE OFFICE  
29 OF ADMINISTRATION AS PUBLISHED IN MANUAL 210.9, THE  
30 COMMONWEALTH'S GENERAL RECORDS RETENTION AND DISPOSITION

1 SCHEDULE, ADOPTED SEPTEMBER 5, 2018. THE POLICY SHALL BE  
2 UPDATED ANNUALLY TO REMAIN CONSISTENT WITH THE POLICY OF THE  
3 OFFICE OF ADMINISTRATION.

4 (C) SPECIFIC POWERS.--IN ADDITION TO THE POWERS AND DUTIES  
5 OTHERWISE PROVIDED IN THIS ACT, EACH AUTHORITY SHALL HAVE THE  
6 SPECIFIC POWERS:

7 (1) TO OBTAIN COPIES OF ALL REPORTS AND DOCUMENTS  
8 REGARDING THE REVENUES, EXPENDITURES, BUDGETS, DEFICITS,  
9 DEBTS, COSTS, PLANS, OPERATIONS, ESTIMATES AND ANY OTHER  
10 FINANCIAL OR BUDGETARY MATTERS OF THE ASSISTED CITY.

11 (2) TO OBTAIN ADDITIONAL REPORTS AND INFORMATION ON THE  
12 ABOVE MATTERS IN FORMS AS ARE DEEMED NECESSARY BY THE  
13 AUTHORITY.

14 (3) TO MAKE FACTUAL FINDINGS CONCERNING THE ASSISTED  
15 CITY'S BUDGETARY AND FISCAL AFFAIRS.

16 (4) TO MAKE RECOMMENDATIONS TO THE ASSISTED CITY AND THE  
17 GENERAL ASSEMBLY CONCERNING THE BUDGETARY AND FISCAL AFFAIRS  
18 OF THE ASSISTED CITY, INCLUDING CONSIDERATION OF THE  
19 FOLLOWING ISSUES AND OTHER ISSUES AT THE DISCRETION OF THE  
20 AUTHORITY:

21 (I) CONSOLIDATION OR MERGER OF SERVICES PERFORMED BY  
22 THE ASSISTED CITY AND A SCHOOL, COUNTY OR OTHER  
23 MUNICIPALITY SURROUNDING THE ASSISTED CITY.

24 (II) CONSOLIDATION OF PUBLIC SAFETY SERVICES.

25 (III) APPROPRIATE STAFFING LEVELS OF CITY  
26 DEPARTMENTS AND CORPORATE ENTITIES.

27 (IV) COOPERATIVE AGREEMENTS OR CONTRACTUAL  
28 ARRANGEMENTS BETWEEN HEALTH CARE FACILITIES LICENSED BY  
29 THE DEPARTMENT OF HEALTH.

30 (V) FINANCIAL OR CONTRACTUAL OBLIGATIONS OF THE

1 ASSISTED CITY.

2 (VI) PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS  
3 OBLIGATIONS OF THE ASSISTED CITY.

4 (VII) CONTRIBUTIONS OF NONPROFIT OR CHARITABLE  
5 ORGANIZATIONS THAT RECEIVE THE BENEFIT OF MUNICIPAL  
6 SERVICES PROVIDED BY THE ASSISTED CITY.

7 (VIII) REDUCTION OR RESTRUCTURING OF DEBT  
8 OBLIGATIONS.

9 (IX) COOPERATIVE AGREEMENTS BETWEEN THE ASSISTED  
10 CITY AND THE COUNTY IN WHICH THE ASSISTED CITY IS LOCATED  
11 OR MUNICIPALITIES THAT BORDER THE ASSISTED CITY.

12 (X) COOPERATIVE AGREEMENTS BETWEEN THE ASSISTED CITY  
13 AND SCHOOL DISTRICTS LOCATED IN THE ASSISTED CITY.

14 (XI) COLLECTIVE BARGAINING AGREEMENTS AND OTHER  
15 CONTRACTS OF THE ASSISTED CITY.

16 (XII) ELIMINATION, SALE OR TRANSFER OF ASSISTED CITY  
17 SERVICES OR PROPERTY.

18 (XIII) IMPLEMENTATION OF COST-SAVING MEASURES BY THE  
19 ASSISTED CITY.

20 (XIV) INCREASED MANAGERIAL ACCOUNTABILITY.

21 (XV) PERFORMANCE OF GOVERNMENT OPERATIONS AND  
22 DELIVERY OF MUNICIPAL SERVICES.

23 (XVI) REEVALUATION OF TAX EXEMPTION POLICIES AND  
24 PRACTICES WITH REGARD TO REAL PROPERTY TAXATION WITHIN  
25 THE ASSISTED CITY.

26 (XVII) IMPROVEMENTS IN PROCUREMENT PRACTICES.

27 (XVIII) IMPLEMENTATION OF USER FEES FOR SERVICES,  
28 INCLUDING SEWAGE, WATER TREATMENT AND REFUSE COLLECTION.

29 (XIX) PRIVATIZATION AND OUTSOURCING OF APPROPRIATE  
30 ASSISTED CITY SERVICES.

1            (XX)    INCREASED COLLECTION OF FINES AND COSTS  
2            RELATING TO PARKING VIOLATIONS OR VIOLATIONS OF OTHER  
3            CITY ORDINANCES.

4            (XXI)    COMPETITIVE BIDDING OF APPROPRIATE ASSISTED  
5            CITY SERVICES AND COMPETITIVE BIDDING PRACTICES.

6            (XXII)    THE USE OF TECHNOLOGY TO ACHIEVE COST  
7            SAVINGS.

8            (XXIII)    A STUDY OF HEALTH CARE AND OTHER BENEFITS  
9            OFFERED BY THE ASSISTED CITY TO ITS EMPLOYEES.

10           (XXIV)    THE SALE OF THE ASSISTED CITY'S WORKERS'  
11           COMPENSATION FUND.

12           (XXV)    THE SALE OF UNENCUMBERED ASSETS OF THE  
13           ASSISTED CITY OR AUTHORITIES OF THE ASSISTED CITY.

14           (XXVI)    THE ELIMINATION OR REORGANIZATION OF  
15           AUTHORITIES OR DEPARTMENTS.

16           (XXVII)    THE USE OF BUDGETARY PRACTICES AND  
17           PRINCIPLES AS THEY RELATE TO FORECASTING, PUBLIC  
18           OPENNESS, PROJECTIONS, ESTIMATES, TAX POLICY, LENDING,  
19           BORROWING AND STRATEGIC PLANNING.

20           (XXVIII)    THE TRANSFERS OF EMPLOYEES AND ASSETS BY  
21           AND BETWEEN BUREAUS, DEPARTMENTS, AUTHORITIES AND  
22           CORPORATE ENTITIES OF THE ASSISTED CITY.

23           (XXIX)    PRIOR SUGGESTIONS PUBLISHED BY OTHERS PRIOR  
24           TO THE DATE THAT THE CITY BECAME AN ASSISTED CITY.

25           (XXX)    A REVIEW OF THE TAXING AUTHORITY OF THE  
26           ASSISTED CITY.

27           (XXXI)    A REVIEW OF THE RATIO OF DEBT SERVICE TO  
28           GENERAL FUND OUTLAYS OF THE ASSISTED CITY, THE  
29           APPROPRIATE RATIO AND THE MEANS TO ACHIEVE THE RATIO.

30           (XXXII)    A REVIEW OF OUTSTANDING DEBT, DEBT PAYMENTS



1 AND THE ABILITY TO PREPAY THE DEBT.

2 (5) TO MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE  
3 GENERAL ASSEMBLY REGARDING LEGISLATION OR RESOLUTIONS THAT  
4 RELATE TO THE ASSISTED CITY'S FISCAL STABILITY. THE AUTHORITY  
5 SHALL SUBMIT A PRELIMINARY REPORT OF THE RECOMMENDATIONS TO  
6 THE GOVERNOR AND THE GENERAL ASSEMBLY WITHIN 180 DAYS OF THE  
7 INITIAL ORGANIZATIONAL MEETING OF THE BOARD IN SECTION  
8 202(C). THE REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO,  
9 RECOMMENDATIONS AS TO WHETHER OR NOT AN ASSISTED CITY NEEDS  
10 ADDITIONAL REVENUES, THE BEST SOURCES OF THOSE REVENUES AND  
11 WAYS FOR THE ASSISTED CITY TO REDUCE EXPENDITURES. ANY  
12 RECOMMENDATIONS FOR NEW REVENUE, IF WARRANTED, SHALL STATE  
13 WHETHER THE REVENUES SHOULD BE EARMARKED FOR SPECIFIC  
14 EXPENDITURES, INCLUDING, BUT NOT LIMITED TO, PREPAYMENT OF  
15 DEBT AND WHETHER THE REVENUES SHOULD BE SUBJECT TO EXPIRATION  
16 PROVISIONS.

17 (6) TO EXERCISE POWERS OF REVIEW CONCERNING THE  
18 BUDGETARY AND FISCAL AFFAIRS OF AN ASSISTED CITY CONSISTENT  
19 WITH THIS ACT AND THE ASSISTED CITY'S GOVERNING LAW.

20 (7) TO RECEIVE REVENUES FROM ANY SOURCE, DIRECTLY OR BY  
21 ASSIGNMENT, PLEDGE OR OTHERWISE.

22 (8) TO SUE AND BE SUED, IMPLEAD AND BE IMPLEADED,  
23 INTERPLEAD, COMPLAIN AND DEFEND IN ALL COURTS.

24 (9) TO ADOPT, USE AND ALTER AT WILL A CORPORATE SEAL.

25 (10) TO MAKE BYLAWS FOR THE MANAGEMENT AND REGULATION OF  
26 THE AUTHORITY'S AFFAIRS AND ADOPT RULES, REGULATIONS AND  
27 POLICIES IN CONNECTION WITH THE PERFORMANCE OF THE  
28 AUTHORITY'S FUNCTIONS AND DUTIES THAT, NOTWITHSTANDING ANY  
29 OTHER PROVISION OF LAW TO THE CONTRARY, SHALL NOT BE SUBJECT  
30 TO REVIEW UNDER THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),

1 KNOWN AS THE REGULATORY REVIEW ACT.

2 (11) TO MAKE AND ENTER INTO CONTRACTS AND OTHER  
3 INSTRUMENTS NECESSARY OR CONVENIENT FOR THE CONDUCT OF THE  
4 AUTHORITY'S BUSINESS AND THE EXERCISE OF THE POWERS OF THE  
5 AUTHORITY.

6 (12) TO APPOINT SUCH OFFICERS AND HIRE SUCH AGENTS AND  
7 EMPLOYEES AS THE AUTHORITY DEEMS NECESSARY.

8 (13) TO RETAIN COUNSEL AND AUDITORS TO RENDER  
9 PROFESSIONAL SERVICES AS THE AUTHORITY DEEMS APPROPRIATE. THE  
10 AUTHORITY SHALL NOT BE CONSIDERED EITHER AN EXECUTIVE AGENCY  
11 OR AN INDEPENDENT AGENCY FOR THE PURPOSE OF THE ACT OF  
12 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH  
13 ATTORNEYS ACT, BUT SHALL POSSESS THE SAME STATUS FOR THAT  
14 PURPOSE AS THE AUDITOR GENERAL, STATE TREASURER AND THE  
15 PENNSYLVANIA PUBLIC UTILITY COMMISSION, EXCEPT THAT THE  
16 PROVISIONS OF SECTION 204(B) AND (F) OF THE COMMONWEALTH  
17 ATTORNEYS ACT SHALL NOT APPLY TO THE AUTHORITY.  
18 NOTWITHSTANDING 42 PA.C.S. CH. 85 (RELATING TO MATTERS  
19 AFFECTING GOVERNMENT UNITS), THE AUTHORITY SHALL DEFEND  
20 ACTIONS BROUGHT AGAINST THE AUTHORITY OR ITS MEMBERS,  
21 OFFICERS, OFFICIALS AND EMPLOYEES WHEN ACTING WITHIN THE  
22 SCOPE OF THEIR OFFICIAL DUTIES.

23 (14) TO COOPERATE WITH ANY FEDERAL AGENCY OR GOVERNMENT  
24 AGENCY.

25 (15) TO ACQUIRE, BY GIFT OR OTHERWISE, PURCHASE, HOLD,  
26 RECEIVE, LEASE, SUBLEASE AND USE ANY FRANCHISE, LICENSE, OR  
27 PROPERTY, REAL, PERSONAL OR MIXED, TANGIBLE OR INTANGIBLE, OR  
28 ANY INTEREST THEREIN. THE AUTHORITY SHALL BE ABSOLUTELY  
29 LIMITED IN ITS POWER TO ACQUIRE REAL PROPERTY UNDER THIS ACT  
30 TO REAL PROPERTY THAT WILL BE USED ONLY FOR THE OFFICE SPACE

1 IN WHICH THE AUTHORITY WILL CONDUCT ITS DAILY BUSINESS IF  
2 NECESSARY. IF POSSIBLE, THE ASSISTED CITY SHALL PROVIDE  
3 OFFICE SPACE TO THE AUTHORITY AT NO COST TO THE AUTHORITY AS  
4 PART OF AN INTERGOVERNMENTAL COOPERATION AGREEMENT.

5 (16) TO SELL, TRANSFER, CONVEY AND DISPOSE OF ANY  
6 PROPERTY, REAL, PERSONAL OR MIXED, TANGIBLE OR INTANGIBLE OR  
7 ANY INTEREST THEREIN.

8 (17) TO ENTER INTO CONTRACTS FOR GROUP INSURANCE AND TO  
9 CONTRIBUTE TO RETIREMENT PLANS FOR THE BENEFIT OF THE  
10 AUTHORITY'S EMPLOYEES AND TO ENROLL THE AUTHORITY'S EMPLOYEES  
11 IN AN EXISTING RETIREMENT SYSTEM OF A GOVERNMENT AGENCY.

12 (18) TO ACCEPT, PURCHASE OR BORROW EQUIPMENT, SUPPLIES,  
13 SERVICES OR OTHER THINGS NECESSARY OR CONVENIENT TO THE WORK  
14 OF THE AUTHORITY FROM OTHER GOVERNMENT AGENCIES. ALL  
15 GOVERNMENT AGENCIES ARE AUTHORIZED TO SELL, LEND OR GRANT TO  
16 THE AUTHORITY EQUIPMENT, SUPPLIES, SERVICES OR OTHER THINGS  
17 NECESSARY OR CONVENIENT TO THE WORK OF THE AUTHORITY.

18 (19) TO INVEST ANY FUNDS HELD BY THE AUTHORITY AS  
19 PROVIDED IN SECTION 211.

20 (20) TO RECEIVE AND HOLD ASSETS, MONEY AND FUNDS FROM  
21 ANY SOURCE, INCLUDING, BUT NOT LIMITED TO, APPROPRIATIONS,  
22 GRANTS AND GIFTS.

23 (21) TO PROCURE INSURANCE, GUARANTEES AND SURETIES THE  
24 AUTHORITY DETERMINES NECESSARY OR DESIRABLE FOR ITS PURPOSES.

25 (22) TO PLEDGE THE CREDIT OF THE AUTHORITY AS THE  
26 AUTHORITY DETERMINES NECESSARY OR DESIRABLE FOR AUTHORITY  
27 PURPOSES.

28 (23) TO DO ALL ACTS AND THINGS NECESSARY OR CONVENIENT  
29 FOR THE PROMOTION OF ITS PURPOSES AND THE GENERAL WELFARE OF  
30 THE AUTHORITY AND TO CARRY OUT THE POWERS GRANTED TO IT BY

1 THIS ACT OR ANY OTHER ACTS.

2 (D) INTERGOVERNMENTAL COOPERATION AGREEMENTS.--

3 (1) THE AUTHORITY MAY ENTER INTO AND IMPLEMENT AN  
4 INTERGOVERNMENTAL COOPERATION AGREEMENT, AS APPROVED BY THE  
5 BOARD, WITH THE ASSISTED CITY.

6 (2) AN ASSISTED CITY MAY ENTER INTO AN INTERGOVERNMENTAL  
7 COOPERATION AGREEMENT IN WHICH THE CITY, CONSISTENT WITH THIS  
8 ACT, COVENANTS TO COOPERATE OR AGREE IN THE EXERCISE OF ANY  
9 FUNCTION, POWER OR RESPONSIBILITY WITH, OR DELEGATE OR  
10 TRANSFER ANY FUNCTION, POWER OR RESPONSIBILITY TO, THE  
11 AUTHORITY UPON THE ADOPTION BY THE GOVERNING BODY OF THE CITY  
12 OF AN ORDINANCE AUTHORIZING AND APPROVING THE  
13 INTERGOVERNMENTAL COOPERATION AGREEMENT.

14 (3) AN ORDINANCE THAT AUTHORIZES AN ASSISTED CITY TO  
15 ENTER INTO AN INTERGOVERNMENTAL COOPERATION AGREEMENT WITH  
16 THE AUTHORITY SHALL SPECIFY:

17 (I) THE PURPOSE AND OBJECTIVES OF THE AGREEMENT.

18 (II) THE CONDITIONS OF THE AGREEMENT.

19 (III) THE TERM OF THE AGREEMENT, INCLUDING  
20 PROVISIONS RELATING TO TERMINATION OF THE AGREEMENT.

21 (4) AN INTERGOVERNMENTAL COOPERATION AGREEMENT MAY NOT  
22 BE ENTERED INTO EARLIER THAN 60 DAYS FOLLOWING THE INITIAL  
23 ORGANIZATIONAL MEETING OF THE BOARD UNDER SECTION 202(C).

24 (E) LIMITATION.--NOTWITHSTANDING ANY PURPOSE OR GENERAL OR  
25 SPECIFIC POWER GRANTED BY THIS ACT OR ANY OTHER ACT, WHETHER  
26 EXPRESS OR IMPLIED, THE AUTHORITY SHALL HAVE NO POWER TO PLEDGE  
27 THE CREDIT OR TAXING POWERS OF THE COMMONWEALTH.

28 SECTION 204. TERM OF EXISTENCE.

29 THE FOLLOWING APPLY:

30 (1) THE AUTHORITY SHALL EXIST UNTIL THE TERMINATION

1 DATE.

2 (2) UPON TERMINATION OF THE AUTHORITY, RECORDS AND  
3 DOCUMENTS OF THE AUTHORITY SHALL BE TRANSFERRED TO THE  
4 ASSISTED CITY.

5 (3) THE AUTHORITY SHALL SUBMIT A FINAL REPORT ON ITS  
6 ACTIVITIES AND THE ASSISTED CITY'S FISCAL CONDITION TO THE  
7 GOVERNOR AND THE GENERAL ASSEMBLY WITHIN 60 DAYS OF THE  
8 TERMINATION OF THE AUTHORITY.

9 SECTION 205. FISCAL YEAR.

10 THE FISCAL YEAR OF EACH AUTHORITY SHALL BE THE SAME AS THE  
11 FISCAL YEAR OF THE COMMONWEALTH.

12 SECTION 206. ANNUAL BUDGET OF AUTHORITY.

13 (A) BUDGET.--

14 (1) WITHIN 60 DAYS OF THE INITIAL ORGANIZATIONAL MEETING  
15 OF THE BOARD UNDER SECTION 202(C) AND EACH OCTOBER 15  
16 THEREAFTER, AN AUTHORITY SHALL ADOPT A BUDGET AS APPROVED BY  
17 THE BOARD SPECIFYING IN REASONABLE DETAIL THE PROJECTED  
18 EXPENSES OF OPERATION OF THE AUTHORITY FOR THE ENSUING FISCAL  
19 YEAR, INCLUDING THE SALARY AND BENEFITS OF THE EXECUTIVE  
20 DIRECTOR AND ANY OTHER EMPLOYEES OF THE AUTHORITY, AND THE  
21 PROJECTED REVENUES OF THE AUTHORITY TO BE DERIVED FROM  
22 INVESTMENT EARNINGS AND ANY OTHER MONEY OF THE AUTHORITY THAT  
23 ARE ESTIMATED TO BE AVAILABLE TO PAY THE OPERATING EXPENSES  
24 SPECIFIED IN THE BUDGET.

25 (2) A COPY OF THE AUTHORITY'S BUDGET SHALL BE SUBMITTED  
26 TO THE GOVERNOR AND TO THE GENERAL ASSEMBLY.

27 (3) THE AUTHORITY OR ITS DESIGNATED REPRESENTATIVES MAY  
28 BE AFFORDED AN OPPORTUNITY TO APPEAR BEFORE THE GOVERNOR AND  
29 THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE  
30 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES

1 REGARDING THE AUTHORITY'S BUDGET.

2 (B) LIMIT ON OPERATING EXPENSES.--

3 (1) FOLLOWING THE SUBMISSION OF THE AUTHORITY'S BUDGET  
4 TO THE GOVERNOR AND THE GENERAL ASSEMBLY AND ANY HEARING HELD  
5 BY AN APPROPRIATIONS COMMITTEE UNDER SUBSECTION (A), THE  
6 GENERAL ASSEMBLY, BY CONCURRENT RESOLUTION WITH PRESENTMENT  
7 TO THE GOVERNOR, IN ACCORDANCE WITH SECTION 9 OF ARTICLE III  
8 OF THE CONSTITUTION OF PENNSYLVANIA, MAY LIMIT THE OPERATING  
9 EXPENSES OF THE AUTHORITY.

10 (2) IN THAT EVENT, IT SHALL BE UNLAWFUL FOR THE  
11 AUTHORITY TO SPEND MORE FOR OPERATING EXPENSES THAN THE LIMIT  
12 ESTABLISHED FOR THE ENSUING FISCAL YEAR BY THE CONCURRENT  
13 RESOLUTION.

14 (3) IF THE GENERAL ASSEMBLY DOES NOT ADOPT A CONCURRENT  
15 RESOLUTION PRIOR TO MAY 30, THE AUTHORITY'S BUDGET SHALL BE  
16 DEEMED APPROVED FOR THE ENSUING FISCAL YEAR.

17 (C) EXAMINATION OF BOOKS.--THE CHAIRPERSON AND MINORITY  
18 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND  
19 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
20 COMMITTEE OF THE HOUSE OF REPRESENTATIVES MAY AT ANY TIME  
21 EXAMINE THE BOOKS, ACCOUNTS AND RECORDS OF THE AUTHORITY.

22 SECTION 207. ANNUAL REPORT TO BE FILED AND ANNUAL AUDITS.

23 BY DECEMBER 31 FOLLOWING THE END OF EACH FISCAL YEAR OF AN  
24 AUTHORITY, THE AUTHORITY SHALL FILE AN ANNUAL REPORT WITH THE  
25 CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
26 COMMITTEE OF THE SENATE AND CHAIRPERSON AND MINORITY CHAIRPERSON  
27 OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES,  
28 THAT MAKES PROVISIONS FOR THE ACCOUNTING OF REVENUES AND  
29 EXPENSES. THE REPORT SHALL BE SIGNED BY THE CHAIRPERSON OF THE  
30 BOARD. THE AUTHORITY SHALL HAVE ITS BOOKS, ACCOUNTS AND RECORDS

1 AUDITED ANNUALLY IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING  
2 STANDARDS BY AN INDEPENDENT AUDITOR WHO MUST BE A CERTIFIED  
3 PUBLIC ACCOUNTANT, AND A COPY OF THE AUDIT REPORT SHALL BE  
4 ATTACHED TO AND BE MADE A PART OF THE AUTHORITY'S ANNUAL REPORT.  
5 A CONCISE FINANCIAL STATEMENT SHALL BE PUBLISHED ANNUALLY IN THE  
6 PENNSYLVANIA BULLETIN.

7 SECTION 208. LIMIT ON CITY BORROWING.

8 AN ASSISTED CITY AND ITS CORPORATE ENTITIES MAY NOT BORROW OR  
9 RECEIVE FUNDS FOR ANY LAWFUL PURPOSE UNLESS THE ASSISTED CITY  
10 HAS ENTERED INTO AN INTERGOVERNMENTAL COOPERATION AGREEMENT WITH  
11 THE AUTHORITY AND THERE IS AN APPROVED FINANCIAL PLAN IN EFFECT.

12 SECTION 209. FINANCIAL PLAN OF AN ASSISTED CITY.

13 (A) REQUIREMENT OF A FINANCIAL PLAN.--EACH ASSISTED CITY  
14 SHALL DEVELOP, IMPLEMENT AND PERIODICALLY REVISE A FINANCIAL  
15 PLAN AS DESCRIBED IN THIS SECTION.

16 (B) ELEMENTS OF PLAN.--THE FINANCIAL PLAN SHALL INCLUDE:

17 (1) PROJECTED REVENUES AND EXPENDITURES OF THE PRINCIPAL  
18 OPERATING FUND OR FUNDS OF THE ASSISTED CITY FOR FIVE FISCAL  
19 YEARS CONSISTING OF THE CURRENT FISCAL YEAR AND THE NEXT FOUR  
20 FISCAL YEARS.

21 (2) PLAN COMPONENTS THAT WILL:

22 (I) ELIMINATE ANY PROJECTED DEFICIT FOR THE CURRENT  
23 FISCAL YEAR AND FOR SUBSEQUENT FISCAL YEARS.

24 (II) RESTORE TO SPECIAL FUND ACCOUNTS MONEY FROM  
25 THOSE ACCOUNTS USED FOR PURPOSES OTHER THAN THOSE  
26 SPECIFICALLY AUTHORIZED.

27 (III) BALANCE THE CURRENT FISCAL YEAR BUDGET AND  
28 SUBSEQUENT BUDGETS IN THE FINANCIAL PLAN THROUGH SOUND  
29 BUDGETARY PRACTICES, INCLUDING, BUT NOT LIMITED TO,  
30 REDUCTIONS IN EXPENDITURES, IMPROVEMENTS IN PRODUCTIVITY,

1 INCREASES IN REVENUES OR A COMBINATION OF THESE STEPS.

2 (IV) PROVIDE PROCEDURES TO AVOID A FISCAL EMERGENCY  
3 CONDITION IN THE FUTURE.

4 (V) ENHANCE THE ABILITY OF THE ASSISTED CITY TO  
5 ACCESS SHORT-TERM AND LONG-TERM CREDIT MARKETS.

6 (VI) IF APPLICABLE, ELIMINATE THE LEVY OF RATE OF  
7 TAXES AUTHORIZED UNDER SECTION 707 ON OR PRIOR TO THE  
8 TERMINATION DATE.

9 (VII) IF RECOMMENDED BY A COORDINATOR'S PLAN UNDER  
10 THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE  
11 MUNICIPALITIES FINANCIAL RECOVERY ACT, AND NOT PREVIOUSLY  
12 ESTABLISHED, ESTABLISH A TRUST TO FUND THE BENEFIT  
13 OBLIGATIONS OF OTHER POSTEMPLOYMENT BENEFITS OF THE  
14 ASSISTED CITY AND ENGAGE AN INVESTMENT MANAGER IN  
15 CONNECTION WITH THE TRUST.

16 (C) STANDARDS FOR FORMULATION OF PLAN.--

17 (1) ALL PROJECTIONS OF REVENUES AND EXPENDITURES IN A  
18 FINANCIAL PLAN SHALL BE BASED ON PRUDENT, REASONABLE AND  
19 APPROPRIATE ASSUMPTIONS AND METHODS OF ESTIMATION. ALL  
20 ASSUMPTIONS AND METHODS SHALL BE CONSISTENTLY APPLIED AND  
21 REPORTED IN THE FINANCIAL PLAN. THE FINANCIAL PLAN OF AN  
22 ASSISTED CITY MAY NOT INCLUDE PROJECTED REVENUE THAT IN ORDER  
23 TO BE COLLECTED REQUIRES THE ENACTMENT BY THE GENERAL  
24 ASSEMBLY OF NEW TAXING POWERS.

25 (2) ALL REVENUE AND APPROPRIATION ESTIMATES SHALL BE ON  
26 A MODIFIED ACCRUAL BASIS IN ACCORDANCE WITH GENERALLY  
27 ACCEPTED STANDARDS AGREED TO BY THE AUTHORITY, SUCH AS THOSE  
28 PROMULGATED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD,  
29 AND SHALL BE SUBJECT TO THE FOLLOWING PROVISIONS:

30 (I) REVENUE ESTIMATES SHALL RECOGNIZE REVENUES IN



1 THE ACCOUNTING PERIOD IN WHICH THEY BECOME BOTH  
2 MEASURABLE AND AVAILABLE.

3 (II) ESTIMATES OF CITY-GENERATED REVENUES SHALL BE  
4 BASED ON CURRENT OR PROPOSED TAX RATES, HISTORICAL  
5 COLLECTION PATTERNS AND GENERALLY RECOGNIZED ECONOMETRIC  
6 MODELS.

7 (III) ESTIMATES OF REVENUES TO BE RECEIVED FROM THE  
8 COMMONWEALTH SHALL BE BASED ON HISTORICAL PATTERNS,  
9 CURRENTLY AVAILABLE LEVELS OR ON LEVELS PROPOSED IN A  
10 BUDGET BY THE GOVERNOR.

11 (IV) ESTIMATES OF REVENUES TO BE RECEIVED FROM THE  
12 FEDERAL GOVERNMENT SHALL BE BASED ON HISTORICAL PATTERNS,  
13 CURRENTLY AVAILABLE LEVELS OR ON LEVELS PROPOSED IN A  
14 BUDGET BY THE PRESIDENT OR IN A CONGRESSIONAL BUDGET  
15 RESOLUTION.

16 (V) NONTAX REVENUES SHALL BE BASED ON CURRENT OR  
17 PROPOSED RATES, CHARGES OR FEES, HISTORICAL PATTERNS AND  
18 GENERALLY RECOGNIZED ECONOMETRIC MODELS.

19 (VI) APPROPRIATION ESTIMATES SHALL INCLUDE, AT A  
20 MINIMUM, ALL OBLIGATIONS INCURRED DURING THE FISCAL YEAR  
21 AND ESTIMATED TO BE PAYABLE DURING THE FISCAL YEAR OR IN  
22 THE 24-MONTH PERIOD FOLLOWING THE CLOSE OF THE CURRENT  
23 FISCAL YEAR AND ALL OBLIGATIONS OF PRIOR FISCAL YEARS NOT  
24 COVERED BY ENCUMBERED FUNDS FROM PRIOR FISCAL YEARS.

25 (VII) ANY DEVIATIONS FROM THESE STANDARDS OF  
26 ESTIMATING REVENUES AND APPROPRIATIONS PROPOSED TO BE  
27 USED BY AN ASSISTED CITY SHALL BE SPECIFICALLY DISCLOSED  
28 AND MUST BE APPROVED BY A MAJORITY OF THE BOARD.

29 (3) ALL CASH FLOW PROJECTIONS SHALL BE BASED ON PRUDENT,  
30 REASONABLE AND APPROPRIATE ASSUMPTIONS AS TO SOURCES AND USES

1 OF CASH, INCLUDING, BUT NOT LIMITED TO, PRUDENT, REASONABLE  
2 AND APPROPRIATE ASSUMPTIONS AS TO THE TIMING OF RECEIPT AND  
3 EXPENDITURE THEREOF, AND SHALL PROVIDE FOR OPERATIONS OF THE  
4 ASSISTED CITY TO BE CONDUCTED WITHIN THE RESOURCES SO  
5 PROJECTED. ALL ESTIMATES SHALL TAKE DUE ACCOUNT OF THE PAST  
6 AND ANTICIPATED COLLECTION, EXPENDITURE AND SERVICE DEMAND  
7 EXPERIENCE OF THE ASSISTED CITY AND OF CURRENT AND PROJECTED  
8 ECONOMIC CONDITIONS.

9 (D) FORM OF PLAN.--EACH FINANCIAL PLAN SHALL INCLUDE,  
10 CONSISTENT WITH THE REQUIREMENTS OF AN ASSISTED CITY'S GOVERNING  
11 LAW:

12 (1) FOR EACH OF THE FIRST TWO FISCAL YEARS COVERED BY  
13 THE FINANCIAL PLAN, INFORMATION THAT REFLECTS AN ASSISTED  
14 CITY'S TOTAL EXPENDITURES BY FUND AND BY LUMP SUM AMOUNT FOR  
15 EACH BOARD, COMMISSION, DEPARTMENT OR OFFICE OF AN ASSISTED  
16 CITY.

17 (2) FOR THE REMAINING THREE FISCAL YEARS OF THE  
18 FINANCIAL PLAN, INFORMATION THAT REFLECTS AN ASSISTED CITY'S  
19 TOTAL EXPENDITURES BY FUND AND BY LUMP SUM AMOUNT FOR MAJOR  
20 OBJECT CLASSIFICATION.

21 (3) PROJECTIONS OF ALL REVENUES AND EXPENDITURES FOR  
22 FIVE FISCAL YEARS, INCLUDING, BUT NOT LIMITED TO, PROJECTED  
23 CAPITAL EXPENDITURES AND SHORT-TERM AND LONG-TERM DEBT  
24 INCURRENCE AND CASH FLOW FORECASTS BY FUND FOR THE FIRST YEAR  
25 OF THE FINANCIAL PLAN.

26 (4) A SCHEDULE OF PROJECTED CAPITAL COMMITMENTS OF THE  
27 ASSISTED CITY AND PROPOSED SOURCES OF FUNDING FOR THOSE  
28 COMMITMENTS.

29 (5) A STATEMENT DESCRIBING IN REASONABLE DETAIL THE  
30 SIGNIFICANT ASSUMPTIONS AND METHODS OF ESTIMATION USED IN

1 ARRIVING AT THE PROJECTIONS CONTAINED IN THE PLAN.

2 (E) ANNUAL SUBMISSION OF PLAN.--

3 (1) WITHIN 90 DAYS OF THE INITIAL ORGANIZATIONAL MEETING  
4 OF THE BOARD UNDER SECTION 202(C), THE ASSISTED CITY SHALL  
5 DEVELOP AND THE AUTHORITY SHALL REVIEW AND ACT UPON AN  
6 INITIAL FIVE-YEAR FINANCIAL PLAN THAT INCLUDES A REPORT ON  
7 THE STATUS OF IMPLEMENTATION OF PRIOR PUBLISHED SUGGESTIONS  
8 REGARDING CONSOLIDATION AND COST SAVINGS.

9 (2) DURING EACH SUBSEQUENT FISCAL YEAR, THE CHIEF FISCAL  
10 OFFICER OF THE ASSISTED CITY SHALL, AT LEAST 100 DAYS PRIOR  
11 TO THE BEGINNING OF THE ASSISTED CITY'S FISCAL YEAR OR ON  
12 ANOTHER DATE AS THE AUTHORITY MAY APPROVE UPON THE REQUEST OF  
13 THE ASSISTED CITY, PREPARE AND SUBMIT ITS PROPOSED FIVE-YEAR  
14 PLAN.

15 (3) AT THE SAME TIME THE PLAN IS SUBMITTED, THE CHIEF  
16 FISCAL OFFICER SHALL ALSO SUBMIT TO THE AUTHORITY:

17 (I) THE CHIEF FISCAL OFFICER'S PROPOSED ANNUAL  
18 OPERATING BUDGET AND CAPITAL BUDGET, WHICH BUDGETS SHALL  
19 BE CONSISTENT WITH THE FIRST YEAR OF THE FINANCIAL PLAN  
20 AND PREPARED IN ACCORDANCE WITH THE ASSISTED CITY'S  
21 GOVERNING LAW.

22 (II) A STATEMENT BY THE CHIEF FISCAL OFFICER THAT  
23 THE BUDGET:

24 (A) IS CONSISTENT WITH THE FINANCIAL PLAN.

25 (B) CONTAINS FUNDING ADEQUATE FOR DEBT SERVICE  
26 PAYMENTS, LEGALLY MANDATED SERVICES AND LEASE  
27 PAYMENTS SECURING BONDS OF OTHER GOVERNMENT AGENCIES.

28 (C) IS BASED UPON PRUDENT, REASONABLE AND  
29 APPROPRIATE ASSUMPTIONS AND METHODS OF ESTIMATION.

30 (D) COMPLIES WITH ANY BALANCED BUDGET

1           REQUIREMENTS CONTAINED IN THE GOVERNING LAW AND  
2           ORDINANCES OF THE ASSISTED CITY OR STATE LAW.

3       (F) BALANCED BUDGET REQUIREMENT.--

4           (1) THE CHIEF FISCAL OFFICER OF THE ASSISTED CITY SHALL  
5       SUBMIT, AND THE GOVERNING BODY OF THE CITY OR ASSISTED CITY  
6       SHALL ADOPT, A BALANCED BUDGET EACH YEAR CONSISTENT WITH THE  
7       ASSISTED CITY'S GOVERNING LAW.

8           (2) A BALANCED BUDGET OF AN ASSISTED CITY MAY NOT  
9       INCLUDE PROJECTED REVENUES THAT IN ORDER TO BE COLLECTED  
10      REQUIRE THE ENACTMENT BY THE GENERAL ASSEMBLY OF NEW TAXING  
11      POWERS OR THE APPROVAL OF A COURT OF COMMON PLEAS OF THE  
12      COUNTY IN WHICH THE ASSISTED CITY IS LOCATED.

13          (3) THE FAILURE OF THE ASSISTED CITY TO COMPLY WITH THIS  
14      SUBSECTION SHALL RESULT IN THE WITHHOLDING OF COMMONWEALTH  
15      FUNDS UNDER SECTION 210(E) AND (F).

16       (G) AUTHORITY REVIEW AND APPROVAL OF PLAN.--

17          (1) THE AUTHORITY SHALL PROMPTLY REVIEW EACH FINANCIAL  
18      PLAN, PROPOSED OPERATING BUDGET AND CAPITAL BUDGET SUBMITTED  
19      BY THE ASSISTED CITY. IN CONDUCTING THE REVIEW, THE AUTHORITY  
20      SHALL REQUEST FROM THE CONTROLLER OF THE ASSISTED CITY AN  
21      OPINION OR CERTIFICATION, PREPARED IN ACCORDANCE WITH  
22      GENERALLY ACCEPTED AUDITING STANDARDS, WITH RESPECT TO THE  
23      REASONABLENESS OF THE ASSUMPTIONS AND ESTIMATES IN THE  
24      FINANCIAL PLAN.

25          (2) THE CONTROLLER AND OTHER ELECTED OFFICIALS OF THE  
26      ASSISTED CITY SHALL COMPLY WITH A REQUEST UNDER PARAGRAPH  
27      (1).

28          (3) NOT MORE THAN 30 DAYS AFTER SUBMISSION OF A  
29      FINANCIAL PLAN AND PROPOSED OPERATING BUDGET, THE AUTHORITY  
30      SHALL DETERMINE WHETHER:

1           (I) THE FINANCIAL PLAN PROJECTS BALANCED BUDGETS,  
2           BASED UPON PRUDENT, REASONABLE AND APPROPRIATE  
3           ASSUMPTIONS AS DESCRIBED IN THIS SECTION, FOR EACH YEAR  
4           OF THE PLAN.

5           (II) THE PROPOSED OPERATING BUDGET AND CAPITAL  
6           BUDGET ARE CONSISTENT WITH THE PROPOSED FINANCIAL PLAN.

7           (4) IF THE AUTHORITY DETERMINES THAT THE CRITERIA UNDER  
8           PARAGRAPH (3) ARE SATISFIED, THE AUTHORITY SHALL APPROVE THE  
9           FINANCIAL PLAN.

10          (5) THE AUTHORITY SHALL NOT BE BOUND BY ANY OPINION OR  
11          CERTIFICATION OF THE CONTROLLER OR OTHER OFFICIAL OF AN  
12          ASSISTED CITY ISSUED UNDER THIS SUBSECTION.

13          (6) IF THE AUTHORITY FAILS TO TAKE ANY ACTION REGARDING  
14          A FINANCIAL PLAN WITHIN 30 DAYS FOLLOWING SUBMISSION OF THE  
15          PLAN TO THE AUTHORITY, THE FINANCIAL PLAN AS SUBMITTED SHALL  
16          BE DEEMED APPROVED. IF, DURING THE 30-DAY PERIOD, A WRITTEN  
17          REQUEST BY TWO MEMBERS OF THE BOARD FOR A MEETING AND VOTE ON  
18          THE QUESTION OF APPROVAL OF THE FINANCIAL PLAN HAS BEEN  
19          SUBMITTED TO THE CHAIRPERSON AND A MEETING AND VOTE DO NOT  
20          TAKE PLACE, THE FINANCIAL PLAN SHALL BE DEEMED DISAPPROVED.

21          (H) AUTHORITY DISAPPROVAL OF PLAN.--

22          (1) IF THE AUTHORITY DISAPPROVES THE PROPOSED FINANCIAL  
23          PLAN OF THE ASSISTED CITY, THE AUTHORITY SHALL, WHEN IT  
24          NOTIFIES THE ASSISTED CITY OF THE AUTHORITY'S DECISION, STATE  
25          IN WRITING IN REASONABLE DETAIL THE REASONS FOR THE  
26          DISAPPROVAL, INCLUDING THE AMOUNT OF ANY ESTIMATED BUDGET  
27          IMBALANCE.

28          (2) THE ASSISTED CITY SHALL SUBMIT A REVISED FINANCIAL  
29          PLAN TO THE AUTHORITY WITHIN 15 DAYS OF A DISAPPROVAL UNDER  
30          PARAGRAPH (1), AND THE REVISED PLAN MUST ELIMINATE THE BUDGET

1       IMBALANCE.

2           (3) NOT MORE THAN 15 DAYS AFTER THE SUBMISSION OF THE  
3       REVISED FINANCIAL PLAN, THE AUTHORITY SHALL DETERMINE WHETHER  
4       THE REVISED PLAN SATISFIES THE CRITERIA UNDER SUBSECTION (G)  
5       (3).

6           (4) IF THE AUTHORITY DETERMINES THAT THE CRITERIA ARE  
7       SATISFIED, THE AUTHORITY SHALL APPROVE THE FINANCIAL PLAN.

8           (5) IF THE AUTHORITY FAILS TO APPROVE THE FINANCIAL  
9       PLAN, THE AUTHORITY SHALL, IN ACCORDANCE WITH SECTION 210(E),  
10      CERTIFY THE ASSISTED CITY'S NONCOMPLIANCE WITH THE FINANCIAL  
11      PLAN TO THE SECRETARY OF THE BUDGET, THE PRESIDENT PRO  
12      TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
13      REPRESENTATIVES.

14      (I) REVISIONS TO PLAN.--

15           (1) THE PLAN SHALL BE REVISED ON AN ANNUAL BASIS TO  
16      INCLUDE THE OPERATING BUDGET FOR THE NEXT FISCAL YEAR AND TO  
17      EXTEND THE PLAN FOR AN ADDITIONAL FISCAL YEAR. THE CHIEF  
18      FISCAL OFFICER OF AN ASSISTED CITY SHALL, WITHIN 90 DAYS OF  
19      ASSUMING OFFICE, PROPOSE REVISIONS TO THE FINANCIAL PLAN OR  
20      CERTIFY TO THE AUTHORITY THAT THE CHIEF FISCAL OFFICER ADOPTS  
21      THE EXISTING PLAN.

22           (2) AN ASSISTED CITY MAY, DURING THE COURSE OF A FISCAL  
23      YEAR, SUBMIT PROPOSED REVISIONS TO THE FINANCIAL PLAN AND  
24      SHALL SUBMIT A PROPOSED REVISION FOR ANY AMENDMENT TO THE  
25      CITY'S OPERATING OR CAPITAL BUDGET.

26           (3) THE AUTHORITY SHALL REVIEW EACH PROPOSED REVISION  
27      WITHIN 20 DAYS OF ITS SUBMISSION. THE AUTHORITY SHALL APPROVE  
28      THE REVISION IF IT WILL NOT, BASED ON PRUDENT, REASONABLE AND  
29      APPROPRIATE ASSUMPTIONS, CAUSE THE PLAN TO BECOME IMBALANCED.

30           (4) PROPOSED REVISIONS SHALL BECOME PART OF THE

1 FINANCIAL PLAN UPON THE APPROVAL OF THE AUTHORITY UNLESS SOME  
2 OTHER METHOD OF APPROVAL IS PERMITTED BY AUTHORITY RULES AND  
3 REGULATIONS APPROVED BY THE BOARD OR PURSUANT TO AN AGREEMENT  
4 WITH THE ASSISTED CITY CONTAINED IN AN INTERGOVERNMENTAL  
5 COOPERATION AGREEMENT.

6 (5) IF THE AUTHORITY FAILS TO TAKE ACTION WITHIN 20 DAYS  
7 ON A PROPOSED REVISION, THE SUBMISSION SHALL BE DEEMED  
8 APPROVED UNLESS A WRITTEN REQUEST FOR A MEETING AND VOTE HAS  
9 BEEN MADE IN ACCORDANCE WITH SUBSECTION (G) (4), IN WHICH  
10 EVENT, IF A MEETING AND VOTE DO NOT TAKE PLACE, THE PROPOSED  
11 REVISION SHALL BE DEEMED DISAPPROVED.

12 (6) IF THE GOVERNING BODY OF A CITY ADOPTS A BUDGET  
13 INCONSISTENT WITH AN APPROVED FINANCIAL PLAN, THE ASSISTED  
14 CITY SHALL SUBMIT THE ENACTED BUDGET TO THE AUTHORITY AS A  
15 PROPOSED REVISION TO THE PLAN. THE AUTHORITY SHALL REVIEW THE  
16 PROPOSED REVISION WITHIN 30 DAYS OF ITS SUBMISSION IN  
17 ACCORDANCE WITH THE CRITERIA UNDER SUBSECTION (G) AND THE  
18 APPROVAL PROCESS UNDER PARAGRAPH (3).

19 (J) SUPPLEMENTAL REPORTS.--

20 (1) WITHIN 45 DAYS OF THE END OF EACH FISCAL QUARTER OF  
21 AN ASSISTED CITY, OR MONTHLY IF A VARIATION FROM THE  
22 FINANCIAL PLAN HAS BEEN DETERMINED IN ACCORDANCE WITH SECTION  
23 210(C), THE CHIEF FISCAL OFFICER OF THE ASSISTED CITY SHALL  
24 PROVIDE THE AUTHORITY WITH A REPORT DESCRIBING ACTUAL OR  
25 CURRENT ESTIMATES OF REVENUES AND EXPENDITURES COMPARED TO  
26 BUDGETED REVENUES AND EXPENDITURES FOR THE PERIOD REFLECTED  
27 IN THE ASSISTED CITY'S CASH FLOW FORECAST.

28 (2) A REPORT REQUIRED UNDER THIS SECTION SHALL INDICATE  
29 ANY VARIANCE BETWEEN ACTUAL OR CURRENT ESTIMATES AND BUDGETED  
30 REVENUES, EXPENDITURES AND CASH FOR THE PERIOD COVERED BY THE

1 REPORT.

2 (3) AN ASSISTED CITY SHALL ALSO PROVIDE PERIODIC REPORTS  
3 ON DEBT SERVICE REQUIREMENTS IN CONFORMITY WITH SECTION  
4 210(B).

5 (K) EFFECT OF PLAN UPON CONTRACTS AND COLLECTIVE BARGAINING  
6 AGREEMENTS.--

7 (1) A CONTRACT OR COLLECTIVE BARGAINING AGREEMENT IN  
8 EXISTENCE IN AN ASSISTED CITY PRIOR TO THE APPROVAL BY THE  
9 AUTHORITY OF A FINANCIAL PLAN SUBMITTED UNDER THIS SECTION  
10 SHALL REMAIN EFFECTIVE AFTER APPROVAL OF THE PLAN UNTIL THE  
11 CONTRACT OR AGREEMENT EXPIRES.

12 (2) AFTER THE APPROVAL BY THE AUTHORITY OF A FINANCIAL  
13 PLAN SUBMITTED PURSUANT TO THIS SECTION, AN ASSISTED CITY  
14 SHALL EXECUTE CONTRACTS AND COLLECTIVE BARGAINING AGREEMENTS  
15 IN COMPLIANCE WITH THE PLAN. IF AN ASSISTED CITY EXECUTES A  
16 CONTRACT OR A COLLECTIVE BARGAINING AGREEMENT WHICH IS NOT IN  
17 COMPLIANCE WITH THE PLAN, THE CONTRACT OR AGREEMENT SHALL NOT  
18 BE VOID OR VOIDABLE SOLELY BY REASON OF THE NONCOMPLIANCE,  
19 BUT THE ASSISTED CITY SHALL SUBMIT TO THE AUTHORITY A  
20 PROPOSED REVISION TO THE PLAN WHICH DEMONSTRATES THAT  
21 REVENUES SUFFICIENT TO PAY THE COSTS OF THE CONTRACT OR  
22 COLLECTIVE BARGAINING AGREEMENT WILL BE AVAILABLE IN THE  
23 AFFECTED FISCAL YEARS OF THE PLAN.

24 (3) NOTHING IN THIS ACT SHALL BE CONSTRUED TO IN ANY  
25 MANNER VIOLATE, EXPAND OR DIMINISH THE PROVISIONS OF THE  
26 MUNICIPALITIES FINANCIAL RECOVERY ACT RELATING TO COLLECTIVE  
27 BARGAINING AGREEMENTS.

28 (L) EFFECT OF PLAN UPON CERTAIN ARBITRATION SETTLEMENTS.--

29 (1) AFTER THE APPROVAL BY THE AUTHORITY OF A FINANCIAL  
30 PLAN SUBMITTED PURSUANT TO THIS SECTION, ANY ARBITRATION



1 SETTLEMENT OF A BOARD OF ARBITRATION ESTABLISHED PURSUANT TO  
2 THE PROVISIONS OF THE ACT OF JUNE 24, 1968 (P.L.237, NO.111),  
3 REFERRED TO AS THE POLICEMEN AND FIREMEN COLLECTIVE  
4 BARGAINING ACT, PROVIDING FOR AN INCREASE IN WAGES OR FRINGE  
5 BENEFITS OF AN EMPLOYEE OF AN ASSISTED CITY UNDER THE PLAN,  
6 IN ADDITION TO CONSIDERING ANY STANDARD OR FACTOR REQUIRED TO  
7 BE CONSIDERED BY APPLICABLE LAW, SHALL TAKE INTO  
8 CONSIDERATION AND ACCORD SUBSTANTIAL WEIGHT TO:

9 (I) THE APPROVED FINANCIAL PLAN; AND

10 (II) RELEVANT MARKET FACTORS, SUCH AS THE FINANCIAL  
11 SITUATION OF THE ASSISTED CITY, INFLATION, PRODUCTIVITY,  
12 SIZE OF WORKFORCE AND PAY AND BENEFIT LEVELS IN  
13 ECONOMICALLY AND DEMOGRAPHICALLY COMPARABLE POLITICAL  
14 SUBDIVISIONS.

15 (2) THE ARBITRATION SETTLEMENT SHALL BE IN WRITING AND A  
16 COPY THEREOF SHALL BE FORWARDED TO EACH PARTY TO THE DISPUTE  
17 AND THE AUTHORITY. ANY ARBITRATION SETTLEMENT OF THE BOARD OF  
18 ARBITRATION WHICH PROVIDES FOR AN INCREASE IN WAGES OR FRINGE  
19 BENEFITS OF AN EMPLOYEE OF AN ASSISTED CITY SHALL BE IN  
20 WRITING AND SHALL STATE WITH SPECIFICITY ALL FACTORS WHICH  
21 THE BOARD OF ARBITRATION TOOK INTO ACCOUNT IN CONSIDERING AND  
22 GIVING SUBSTANTIAL WEIGHT TO THE FACTORS REFERRED TO IN  
23 PARAGRAPH (1).

24 (3) ANY PARTY TO A PROCEEDING BEFORE A BOARD OF  
25 ARBITRATION MAY APPEAL TO THE COURT OF COMMON PLEAS TO  
26 REVIEW:

27 (I) CONSIDERATION UNDER PARAGRAPH (1); OR

28 (II) FAILURE OF THE BOARD OF ARBITRATION TO ISSUE AN  
29 ARBITRATION SETTLEMENT UNDER PARAGRAPH (2).

30 (4) AN APPEAL UNDER PARAGRAPH (3) MUST BE COMMENCED NOT

1       LATER THAN 30 DAYS AFTER THE ISSUANCE OF A FINAL ARBITRATION  
2       SETTLEMENT BY THE BOARD OF ARBITRATION.

3           (5)   THE DECISION OF THE BOARD OF ARBITRATION SHALL BE  
4       VACATED AND REMANDED TO THE BOARD OF ARBITRATION IF THE COURT  
5       FINDS:

6           (I)   THAT THE BOARD OF ARBITRATION FAILED TO TAKE  
7       INTO CONSIDERATION AND ACCORD SUBSTANTIAL WEIGHT TO THE  
8       FACTORS REFERRED TO IN PARAGRAPH (1); OR

9           (II)  THAT THE BOARD OF ARBITRATION HAS FAILED TO  
10      ISSUE AN ARBITRATION SETTLEMENT UNDER PARAGRAPH (2).

11          (6)  IF, AFTER THE EXHAUSTION OF ALL APPEALS, THE FINAL  
12      ARBITRATION SETTLEMENT IS NOT IN COMPLIANCE WITH THE APPROVED  
13      FINANCIAL PLAN, THE ARBITRATION SETTLEMENT SHALL NOT BE VOID  
14      OR VOIDABLE SOLELY BY REASON OF SUCH NONCOMPLIANCE, BUT THE  
15      ASSISTED CITY SHALL SUBMIT TO THE AUTHORITY A PROPOSED  
16      REVISION TO THE PLAN WHICH DEMONSTRATES THAT REVENUES  
17      SUFFICIENT TO PAY THE COSTS OF THE ARBITRATION SETTLEMENT  
18      WILL BE AVAILABLE IN THE AFFECTED FISCAL YEARS OF THE PLAN.

19          (7)  AS USED IN THIS SUBSECTION, THE TERM "ARBITRATION  
20      SETTLEMENT" SHALL MEAN AN ADJUSTMENT OR SETTLEMENT OF A  
21      COLLECTIVE BARGAINING AGREEMENT OR DISPUTE. THE TERM INCLUDES  
22      A FINAL OR BINDING ARBITRATION AWARD OR OTHER DETERMINATION.

23      SECTION 210.  POWERS AND DUTIES OF AUTHORITY WITH RESPECT TO  
24      FINANCIAL PLANS.

25          (A)  FORMULATION AND APPROVAL OF PLAN.--TO ADVANCE THE  
26      FINANCIAL RECOVERY OF AN ASSISTED CITY, THE AUTHORITY SHALL  
27      REQUIRE THE ASSISTED CITY TO SUBMIT A FIVE-YEAR FINANCIAL PLAN  
28      IN ACCORDANCE WITH SECTION 209. WITH REGARD TO THE FORMULATION  
29      OF THE FINANCIAL PLAN, THE AUTHORITY SHALL:

30          (1)  CONSULT WITH THE ASSISTED CITY AS IT PREPARES THE

1 FINANCIAL PLAN.

2 (2) PRESCRIBE THE FORM OF THE FINANCIAL PLAN.

3 (3) PRESCRIBE THE SUPPORTING INFORMATION REQUIRED IN  
4 CONNECTION WITH THE FINANCIAL PLAN, WHICH SHALL INCLUDE, AT A  
5 MINIMUM:

6 (I) DEBT SERVICE PAYMENTS DUE OR PROJECTED TO BE DUE  
7 DURING THE RELEVANT FISCAL YEARS.

8 (II) PAYMENTS FOR LEGALLY MANDATED SERVICES INCLUDED  
9 IN THE FINANCIAL PLAN AND DUE OR PROJECTED TO BE DUE  
10 DURING THE RELEVANT FISCAL YEARS.

11 (III) A STATEMENT IN REASONABLE DETAIL OF THE  
12 SIGNIFICANT ASSUMPTIONS AND METHODS OF ESTIMATION USED IN  
13 ARRIVING AT THE PROJECTIONS IN THE FINANCIAL PLAN.

14 (4) EXERCISE ANY RIGHT OF APPROVAL OR DISAPPROVAL AND  
15 ISSUE ANY RECOMMENDATION AUTHORIZED BY THIS ACT IN ACCORDANCE  
16 WITH THE STANDARDS FOR FORMULATION OF THE FINANCIAL PLAN  
17 UNDER SECTION 209(C).

18 (B) AUTHORITY FUNCTIONS AFTER PLAN IS APPROVED.--AFTER A  
19 FINANCIAL PLAN OF AN ASSISTED CITY HAS BEEN APPROVED, THE  
20 AUTHORITY SHALL:

21 (1) RECEIVE AND REVIEW:

22 (I) THE FINANCIAL REPORTS SUBMITTED BY THE CHIEF  
23 FISCAL OFFICER OF THE ASSISTED CITY UNDER SECTION 209(J).

24 (II) REPORTS CONCERNING THE DEBT SERVICE  
25 REQUIREMENTS ON ALL BONDS, NOTES OF THE ASSISTED CITY AND  
26 LEASE PAYMENTS OF THE ASSISTED CITY SECURING BONDS OR  
27 OTHER GOVERNMENT AGENCIES FOR THE FOLLOWING QUARTER. THE  
28 REPORTS SHALL BE IN A FORM AND CONTAIN INFORMATION AS THE  
29 AUTHORITY SHALL DETERMINE AND SHALL BE ISSUED NO LATER  
30 THAN 60 DAYS PRIOR TO THE BEGINNING OF THE QUARTER TO

1 WHICH THEY PERTAIN. THE REPORTS SHALL BE UPDATED  
2 IMMEDIATELY AT EACH ISSUANCE OF BONDS OR NOTES BY THE  
3 ASSISTED CITY OR EXECUTION OF A LEASE SECURING BONDS OF  
4 ANOTHER GOVERNMENT AGENCY AFTER THE DATE OF THE REPORT TO  
5 REFLECT ANY CHANGE IN DEBT SERVICE REQUIREMENTS AS A  
6 RESULT OF THE ISSUANCE.

7 (III) ANY ADDITIONAL INFORMATION PROVIDED BY THE  
8 ASSISTED CITY CONCERNING CHANGED CONDITIONS OR UNEXPECTED  
9 EVENTS THAT MAY AFFECT THE ASSISTED CITY'S ADHERENCE TO  
10 THE FINANCIAL PLAN. THE REPORTS DESCRIBED IN SUBPARAGRAPH  
11 (II) SHALL BE CERTIFIED BY THE CONTROLLER OF THE ASSISTED  
12 CITY.

13 (2) DETERMINE, ON THE BASIS OF INFORMATION AND REPORTS  
14 DESCRIBED IN PARAGRAPH (1), WHETHER THE ASSISTED CITY HAS  
15 ADHERED TO THE FINANCIAL PLAN.

16 (C) VARIATION FROM THE PLAN.--

17 (1) IF THE AUTHORITY DETERMINES, BASED UPON REPORTS  
18 SUBMITTED BY THE ASSISTED CITY UNDER SUBSECTION (B) OR  
19 INDEPENDENT AUDITS, EXAMINATIONS OR STUDIES OF AN ASSISTED  
20 CITY'S FINANCES OBTAINED UNDER SUBSECTION (I) (3), THAT THE  
21 ASSISTED CITY'S ACTUAL REVENUES AND EXPENDITURES VARY FROM  
22 THOSE ESTIMATED IN THE FINANCIAL PLAN, THE ASSISTED CITY  
23 SHALL PROVIDE ADDITIONAL INFORMATION AS THE AUTHORITY DEEMS  
24 NECESSARY TO EXPLAIN THE VARIATION.

25 (2) THE AUTHORITY SHALL TAKE NO ACTION WITH RESPECT TO  
26 THE ASSISTED CITY FOR VARIATIONS FROM THE FINANCIAL PLAN IN A  
27 FISCAL QUARTER IF:

28 (I) THE ASSISTED CITY PROVIDES A WRITTEN EXPLANATION  
29 FOR THE VARIATION THAT THE AUTHORITY DEEMS REASONABLE.

30 (II) THE ASSISTED CITY PROPOSES REMEDIAL ACTION THAT

1 THE AUTHORITY BELIEVES WILL RESTORE THE ASSISTED CITY'S  
2 OVERALL COMPLIANCE WITH THE FINANCIAL PLAN.

3 (III) INFORMATION PROVIDED BY THE ASSISTED CITY IN  
4 THE IMMEDIATELY SUCCEEDING QUARTERLY FINANCIAL REPORT  
5 DEMONSTRATES THAT THE ASSISTED CITY IS TAKING REMEDIAL  
6 ACTION AND OTHERWISE IS COMPLYING WITH THE FINANCIAL  
7 PLAN.

8 (IV) THE ASSISTED CITY SUBMITS MONTHLY SUPPLEMENTAL  
9 REPORTS IN ACCORDANCE WITH SECTION 209(J) UNTIL THE  
10 ASSISTED CITY REGAINS COMPLIANCE WITH THE FINANCIAL PLAN.

11 (D) AUTHORITY MAY MAKE RECOMMENDATIONS.--THE AUTHORITY MAY  
12 AT ANY TIME ISSUE RECOMMENDATIONS AS TO HOW AN ASSISTED CITY MAY  
13 ACHIEVE COMPLIANCE WITH THE FINANCIAL PLAN AND SHALL PROVIDE  
14 COPIES OF THE RECOMMENDATIONS TO THE CHIEF FISCAL OFFICER AND  
15 THE GOVERNING BODY OF THE CITY AND TO THE OFFICIALS SPECIFIED IN  
16 SECTION 203(B) (4) .

17 (E) WHEN COMMONWEALTH SHALL WITHHOLD FUNDS.--

18 (1) AN AUTHORITY SHALL CERTIFY TO THE SECRETARY OF THE  
19 BUDGET THE ASSISTED CITY'S NONCOMPLIANCE WITH THE FINANCIAL  
20 PLAN DURING ANY PERIOD WHEN THE AUTHORITY HAS DETERMINED THAT  
21 THE ASSISTED CITY IS NOT IN COMPLIANCE WITH THE PLAN AND HAS  
22 NOT TAKEN ACCEPTABLE REMEDIAL ACTION DURING THE NEXT QUARTER  
23 FOLLOWING NONCOMPLIANCE WITH THE PLAN.

24 (2) THE AUTHORITY SHALL CERTIFY TO THE SECRETARY OF THE  
25 BUDGET THAT THE ASSISTED CITY IS NOT IN COMPLIANCE WITH THE  
26 FINANCIAL PLAN IF THE ASSISTED CITY:

27 (I) HAS NO FINANCIAL PLAN APPROVED BY THE AUTHORITY,  
28 HAS FAILED TO PROVIDE REQUESTED DOCUMENTS OR HAS FAILED  
29 TO FILE A PLAN WITH THE AUTHORITY; OR

30 (II) HAS FAILED TO FILE MANDATORY REVISIONS TO THE

1 FINANCIAL PLAN OR REPORTS AS REQUIRED BY SECTION 209(I),  
2 (J), (K) OR (L).

3 (3) (I) IF THE AUTHORITY CERTIFIES THAT AN ASSISTED  
4 CITY IS NOT IN COMPLIANCE WITH THE FINANCIAL PLAN UNDER  
5 PARAGRAPH (1) OR (2), THE SECRETARY OF THE BUDGET SHALL  
6 NOTIFY THE ASSISTED CITY THAT THE CERTIFICATION HAS BEEN  
7 MADE AND THAT EACH GRANT, LOAN, ENTITLEMENT OR PAYMENT TO  
8 THE ASSISTED CITY BY THE COMMONWEALTH SHALL BE WITHHELD  
9 PENDING COMPLIANCE WITH THE PLAN.

10 (II) FUNDS WITHHELD SHALL BE HELD IN ESCROW BY THE  
11 COMMONWEALTH UNTIL COMPLIANCE WITH THE FINANCIAL PLAN IS  
12 RESTORED AS SPECIFIED IN PARAGRAPH (4).

13 (III) FUNDS HELD IN ESCROW UNDER THIS PARAGRAPH  
14 SHALL NOT LAPSE UNDER SECTION 621 OF THE ACT OF APRIL 9,  
15 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE  
16 OF 1929, OR ANY OTHER LAW.

17 (4) THE AUTHORITY SHALL DETERMINE WHEN THE CONDITIONS  
18 WHICH CAUSED THE ASSISTED CITY TO BE CERTIFIED AS  
19 NONCOMPLIANT WITH THE FINANCIAL PLAN HAVE CEASED TO EXIST AND  
20 SHALL PROMPTLY NOTIFY THE SECRETARY OF THE BUDGET OF THE  
21 VOTE.

22 (5) AFTER RECEIPT OF THE NOTICE, THE SECRETARY OF THE  
23 BUDGET SHALL RELEASE ALL FUNDS HELD IN ESCROW, TOGETHER WITH  
24 ALL INTEREST AND INCOME EARNED ON THE FUNDS DURING THE PERIOD  
25 HELD IN ESCROW, AND THE DISBURSEMENTS OF AMOUNTS IN THE CITY  
26 ACCOUNT SHALL RESUME.

27 (F) EXEMPTIONS.--NOTWITHSTANDING THE PROVISIONS OF  
28 SUBSECTION (E), THE FOLLOWING SHALL NOT BE WITHHELD FROM AN  
29 ASSISTED CITY:

30 (1) FUNDS GRANTED OR ALLOCATED TO THE ASSISTED CITY

1 DIRECTLY FROM AN AGENCY OF THE COMMONWEALTH OR FROM THE  
2 FEDERAL GOVERNMENT FOR DISTRIBUTION BY THE COMMONWEALTH AFTER  
3 THE DECLARATION OF A DISASTER RESULTING FROM A CATASTROPHE.

4 (2) FUNDS FOR CAPITAL PROJECTS UNDER CONTRACT IN  
5 PROGRESS.

6 (3) PENSION FUND PAYMENTS REQUIRED BY LAW.

7 (4) FUNDS THE ASSISTED CITY HAS PLEDGED TO REPAY BONDS  
8 OR NOTES.

9 (G) EFFECT OF COMMONWEALTH'S FAILURE TO DISBURSE FUNDS.--THE  
10 PROVISIONS OF SUBSECTION (E) SHALL NOT APPLY AND AN ASSISTED  
11 CITY SHALL NOT BE FOUND TO HAVE DEPARTED FROM THE FINANCIAL PLAN  
12 DUE TO THE COMMONWEALTH'S FAILURE TO PAY ANY MONEY, INCLUDING  
13 PAYMENT OF FEDERAL FUNDS DISTRIBUTED BY OR THROUGH THE  
14 COMMONWEALTH, DUE TO THE ASSISTED CITY FROM MONEY APPROPRIATED  
15 BY THE GENERAL ASSEMBLY.

16 (H) ASSISTED CITY TO DETERMINE EXPENDITURE OF AVAILABLE  
17 FUNDS.--NOTHING IN THIS ACT SHALL BE CONSTRUED TO LIMIT THE  
18 POWER OF AN ASSISTED CITY TO DETERMINE FROM TIME TO TIME, WITHIN  
19 AVAILABLE FUNDS OF THE ASSISTED CITY, THE PURPOSES FOR WHICH  
20 EXPENDITURES WILL BE MADE BY THE ASSISTED CITY AND THE AMOUNTS  
21 OF THE EXPENDITURES THEN PERMITTED UNDER THE FINANCIAL PLAN OF  
22 THE ASSISTED CITY.

23 (I) DOCUMENTS AND EXAMINATIONS TO BE REVIEWED OR UNDERTAKEN  
24 BY AUTHORITY.--AN AUTHORITY SHALL:

25 (1) RECEIVE FROM THE ASSISTED CITY AND REVIEW THE  
26 REPORTS, DOCUMENTS, BUDGETARY AND FINANCIAL PLANNING DATA AND  
27 OTHER INFORMATION PREPARED BY OR ON BEHALF OF THE ASSISTED  
28 CITY AND THAT ARE MADE AVAILABLE TO THE AUTHORITY UNDER THIS  
29 ACT.

30 (2) INSPECT AND COPY THE BOOKS, RECORDS AND INFORMATION

1 OF THE ASSISTED CITY AS THE AUTHORITY DEEMS NECESSARY TO  
2 ACCOMPLISH THE PURPOSES OF THIS ACT.

3 (3) CONDUCT OR CAUSE TO BE CONDUCTED INDEPENDENT AUDITS,  
4 EXAMINATIONS OR STUDIES OF THE ASSISTED CITY'S FINANCES AS  
5 THE AUTHORITY DEEMS APPROPRIATE.

6 (J) REMEDIES OF AUTHORITY FOR FAILURE OF ASSISTED CITY TO  
7 FILE FINANCIAL PLANS AND REPORTS.--

8 (1) IN THE EVENT THAT AN ASSISTED CITY FAILS TO FILE  
9 WITH THE AUTHORITY A FINANCIAL PLAN, REVISION TO A PLAN,  
10 REPORT OR OTHER INFORMATION REQUIRED TO BE FILED WITH THE  
11 AUTHORITY UNDER THIS ACT, THE AUTHORITY, IN ADDITION TO ALL  
12 OTHER RIGHTS THAT THE AUTHORITY MAY HAVE AT LAW OR IN EQUITY,  
13 MAY BY MANDAMUS COMPEL THE ASSISTED CITY AND THE OFFICERS,  
14 EMPLOYEES AND AGENTS OF THE ASSISTED CITY TO FILE WITH THE  
15 AUTHORITY THE FINANCIAL PLAN, REVISION TO A PLAN, REPORT OR  
16 OTHER INFORMATION THAT THE ASSISTED CITY HAS FAILED TO FILE.

17 (2) THE AUTHORITY SHALL PROVIDE THE ASSISTED CITY  
18 WRITTEN NOTICE OF THE FAILURE OF THE ASSISTED CITY TO FILE  
19 AND OF THE AUTHORITY'S INTENTION TO INITIATE AN ACTION UNDER  
20 THIS SUBSECTION AND SHALL NOT INITIATE THE ACTION EARLIER  
21 THAN 10 DAYS AFTER THE GIVING OF THE NOTICE.

22 SECTION 211. INVESTMENT OF FUNDS.

23 FUNDS OF AN AUTHORITY THAT ARE NOT REQUIRED FOR IMMEDIATE USE  
24 MAY BE INVESTED IN OBLIGATIONS OF AN ASSISTED CITY OR IN  
25 OBLIGATIONS OF THE FEDERAL GOVERNMENT OR OF THE COMMONWEALTH OR  
26 OBLIGATIONS THAT ARE LEGAL INVESTMENTS FOR COMMONWEALTH FUNDS.  
27 NO MONEY MAY BE INVESTED IN OBLIGATIONS ISSUED BY OR OBLIGATIONS  
28 GUARANTEED BY THE ASSISTED CITY WITHOUT THE APPROVAL OF THE  
29 BOARD.

30 SECTION 212. SOVEREIGN IMMUNITY.



1 NO MEMBER OF THE BOARD SHALL BE LIABLE PERSONALLY FOR ANY  
2 OBLIGATIONS OF THE AUTHORITY. IT IS HEREBY DECLARED TO BE THE  
3 INTENT OF THE GENERAL ASSEMBLY THAT EACH AUTHORITY CREATED BY  
4 THIS ACT AND ITS MEMBERS, OFFICERS, OFFICIALS AND EMPLOYEES  
5 SHALL ENJOY SOVEREIGN AND OFFICIAL IMMUNITY AS PROVIDED IN 1  
6 PA.C.S. § 2310 (RELATING TO SOVEREIGN IMMUNITY REAFFIRMED;  
7 SPECIFIC WAIVER) AND SHALL REMAIN IMMUNE FROM SUIT EXCEPT AS  
8 PROVIDED BY AND SUBJECT TO THE PROVISIONS OF 42 PA.C.S. CH. 85  
9 (RELATING TO MATTERS AFFECTING GOVERNMENT UNITS).

10 CHAPTER 7

11 MISCELLANEOUS PROVISIONS

12 SECTION 701. APPROPRIATION.

13 THE SUM OF \$100,000 IS HEREBY APPROPRIATED FROM THE GENERAL  
14 FUND TO AN AUTHORITY WHICH HOLDS ITS INITIAL ORGANIZATIONAL  
15 MEETING UNDER SECTION 202(C) ON OR BEFORE MAY 1, 2019. THE FUNDS  
16 APPROPRIATED SHALL BE USED TO PROVIDE OPERATING FUNDS FOR THE  
17 AUTHORITY. ANY UNENCUMBERED SUMS THEN REMAINING SHALL LAPSE JUNE  
18 30, 2019.

19 SECTION 702. GENERAL RIGHTS AND PROHIBITIONS.

20 NOTHING IN THIS ACT SHALL LIMIT THE RIGHTS OR IMPAIR THE  
21 OBLIGATIONS OF AN ASSISTED CITY TO COMPLY WITH THE PROVISIONS OF  
22 A CONTRACT IN EFFECT ON THE DATE THE CITY WAS DEEMED AN ASSISTED  
23 CITY UNDER THIS ACT OR SHALL IN ANY WAY IMPAIR THE RIGHTS OF THE  
24 OBLIGEEES OF ANY ASSISTED CITY WITH RESPECT TO THE CONTRACT.

25 SECTION 703. NONDISCRIMINATION.

26 EACH AUTHORITY SHALL COMPLY IN ALL RESPECTS WITH THE  
27 NONDISCRIMINATION AND CONTRACT COMPLIANCE PLANS USED BY THE  
28 DEPARTMENT OF GENERAL SERVICES TO ASSURE THAT ALL PERSONS ARE  
29 ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT AND CONTRACTING  
30 BY THE AUTHORITY AND ITS CONTRACTORS, SUBCONTRACTORS, ASSIGNEES,

1 LESSEES, AGENTS, VENDORS AND SUPPLIERS.

2 SECTION 704. CONSTRUCTION OF ACT.

3 (A) LIBERAL CONSTRUCTION.--THE PROVISIONS OF THIS ACT  
4 PROVIDING FOR SECURITY FOR AND RIGHTS AND REMEDIES OF OBLIGEEES  
5 OF EACH AUTHORITY SHALL BE LIBERALLY CONSTRUED TO ACHIEVE THE  
6 PURPOSES STATED AND PROVIDED BY THIS ACT.

7 (B) SEVERABILITY.--IF ANY PROVISION OF THE TITLE OR ANY  
8 CHAPTER, SECTION OR CLAUSE OF THIS ACT OR THE APPLICATION  
9 THEREOF TO ANY PERSON, PARTY OR CORPORATION, PUBLIC OR PRIVATE,  
10 SHALL BE JUDGED INVALID BY A COURT OF COMPETENT JURISDICTION,  
11 THE ORDER OR JUDGMENT SHALL BE CONFINED IN ITS OPERATION TO THE  
12 CONTROVERSY IN WHICH IT WAS RENDERED AND SHALL NOT AFFECT OR  
13 INVALIDATE THE REMAINDER OF ANY PROVISION OF THE TITLE OR ANY  
14 CHAPTER OR ANY SECTION OR CLAUSE OF THIS ACT OR THE APPLICATION  
15 OF ANY PART THEREOF TO ANY OTHER PERSON, PARTY OR CORPORATION,  
16 PUBLIC OR PRIVATE, OR CIRCUMSTANCE, AND TO THIS END THE  
17 PROVISIONS OF THE TITLE OR ANY CHAPTER, SECTION OR CLAUSE OF  
18 THIS ACT HEREBY ARE DECLARED TO BE SEVERABLE. IT IS HEREBY  
19 DECLARED AS THE LEGISLATIVE INTENT THAT THIS ACT WOULD HAVE BEEN  
20 ADOPTED HAD ANY PROVISION DECLARED UNCONSTITUTIONAL NOT BEEN  
21 INCLUDED IN THIS ACT.

22 SECTION 705. LIMITATION OF AUTHORITY POWERS.

23 EXCEPT AS PROVIDED IN SECTION 203(C) (4), NOTHING CONTAINED IN  
24 THIS ACT SHALL BE CONSTRUED TO CONFER UPON AN AUTHORITY ANY  
25 POWERS WITH RESPECT TO A SCHOOL DISTRICT.

26 SECTION 706. EXTENSION OF PLAN.

27 THE FOLLOWING SHALL APPLY:

28 (1) NOTWITHSTANDING THE PROVISIONS OF THE ACT OF JULY  
29 10, 1987 (P.L.246, NO.47), KNOWN AS THE MUNICIPALITIES  
30 FINANCIAL RECOVERY ACT, TO THE CONTRARY, A PLAN ADOPTED FOR A

1 CITY UNDER THE MUNICIPALITIES FINANCIAL RECOVERY ACT SHALL  
2 CONTINUE UNTIL AN INTERGOVERNMENTAL COOPERATION AGREEMENT IS  
3 ENTERED INTO BY THE CITY AND AN AUTHORITY UNDER SECTION  
4 203(D).

5 (2) THE DISTRESSED STATUS OF A CITY UNDER THE  
6 MUNICIPALITIES FINANCIAL RECOVERY ACT SHALL TERMINATE WHEN AN  
7 INTERGOVERNMENTAL COOPERATION AGREEMENT IS ENTERED INTO BY  
8 THE CITY AND AN AUTHORITY UNDER SECTION 203(D).

9 SECTION 707. TAXES.

10 (A) GENERAL RULE.--NOTWITHSTANDING ANY LAW TO THE CONTRARY,  
11 A CITY WHICH IS OR HAS BEEN AN ASSISTED CITY THAT IS LEVYING OR  
12 HAS BEEN AUTHORIZED TO LEVY WITHIN THE PREVIOUS THREE FISCAL  
13 YEARS A LOCAL SERVICES TAX IN EXCESS OF \$52 AND A TAX ON EARNED  
14 INCOME TAX IN EXCESS OF 1% ON RESIDENTS OF THE CITY SHALL BE  
15 AUTHORIZED TO LEVY UNTIL THE TERMINATION DATE:

16 (1) A LOCAL SERVICES TAX AT A RATE WHICH DOES NOT EXCEED  
17 \$156 PER YEAR; AND

18 (2) AN EARNED INCOME TAX ON RESIDENTS WHICH DOES NOT  
19 EXCEED 2%.

20 (B) PROHIBITION ON COMMUTER TAX.--A CITY WHICH IS OR HAS  
21 BEEN AN ASSISTED CITY SHALL NOT LEVY A TAX OR FEE ON THE EARNED  
22 INCOME OF NONRESIDENTS WHICH IS NOT LEVIED ON THE DATE OF  
23 TERMINATION OF RECEIVERSHIP OR ON THE EFFECTIVE DATE OF THIS  
24 SECTION, WHICHEVER IS LATER. SUCH TAX OR FEE SHALL NOT BE IN  
25 EXCESS OF THE AMOUNT AUTHORIZED IN THE ACT OF DECEMBER 31, 1965  
26 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

27 SECTION 708. REPEAL.

28 ALL ACTS AND PARTS OF ACTS ARE REPEALED INSOFAR AS THEY ARE  
29 INCONSISTENT WITH THIS ACT.

30 SECTION 709. EFFECTIVE DATE.

1 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.