
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 656 Session of
2017

INTRODUCED BY FONTANA, McILHINNEY, RESCHENTHALER, YUDICHAK AND
COSTA, MAY 15, 2017

REFERRED TO LOCAL GOVERNMENT, MAY 15, 2017

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for definitions and for purposes and powers.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 5602 of Title 53 of the Pennsylvania
7 Consolidated Statutes is amended by adding a definition to read:
8 § 5602. Definitions.

9 The following words and phrases when used in this chapter
10 shall have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 * * *

13 "Private lateral water line." A private water line which
14 utilizes lead or lead-based materials, runs from a structure or
15 dwelling to the property line or curb stop of the structure or
16 dwelling and is connected to a public water supply system.

17 * * *

18 Section 2. Section 5607(a)(10), (b)(2) and (d)(30)

1 introductory paragraph are amended and subsection (d) is amended
2 by adding paragraphs to read:

3 § 5607. Purposes and powers.

4 (a) Scope of projects permitted.--Every authority
5 incorporated under this chapter shall be a body corporate and
6 politic and shall be for the purposes of financing working
7 capital; acquiring, holding, constructing, financing, improving,
8 maintaining and operating, owning or leasing, either in the
9 capacity of lessor or lessee, projects of the following kind and
10 character and providing financing for insurance reserves:

11 * * *

12 (10) Waterworks, water supply works[,] and water
13 distribution systems that may include private lateral water
14 lines.

15 * * *

16 (b) Limitations.--This section is subject to the following
17 limitations:

18 * * *

19 (2) The purpose and intent of this chapter being to
20 benefit the people of the Commonwealth by, among other
21 things, increasing their commerce, health, safety and
22 prosperity and not to unnecessarily burden or interfere with
23 existing business by the establishment of competitive
24 enterprises, none of the powers granted by this chapter shall
25 be exercised in the construction, financing, improvement,
26 maintenance, extension or operation of any project or
27 projects or providing financing for insurance reserves which
28 in whole or in part shall duplicate or compete with existing
29 enterprises serving substantially the same purposes. This
30 limitation shall not apply to the exercise of the powers

1 granted under this section:

2 (i) for facilities and equipment for the collection,
3 removal or disposal of ashes, garbage, rubbish and other
4 refuse materials by incineration, landfill or other
5 methods if each municipality organizing or intending to
6 use the facilities of an authority having such powers
7 shall declare by resolution or ordinance that it is
8 desirable for the health and safety of the people of such
9 municipality that it use the facilities of the authority
10 and state if any contract between such municipality and
11 any other person, firm or corporation for the collection,
12 removal or disposal of ashes, garbage, rubbish and other
13 refuse material has by its terms expired or is terminable
14 at the option of the municipality or will expire within
15 six months from the date such ordinance becomes
16 effective;

17 (ii) for industrial development projects if the
18 authority does not develop industrial projects which will
19 compete with existing industries;

20 (iii) for authorities created for the purpose of
21 providing business improvements and administrative
22 services if each municipality organizing an authority for
23 such a project shall declare by resolution or ordinance
24 that it is desirable for the entire local government unit
25 to improve the business district;

26 (iv) to hospital projects or health centers to be
27 leased to or financed with loans to public hospitals,
28 nonprofit corporation health centers or nonprofit
29 hospital corporations serving the public or to school
30 building projects and facilities to be leased to or

1 financed with loans to private, nonprofit, nonsectarian
2 secondary schools, colleges and universities, State-
3 related universities and community colleges or to
4 facilities, as limited under the provisions of this
5 section, to produce steam or to generate electric power
6 if each municipality organizing an authority for such a
7 project shall declare by resolution or ordinance that it
8 is desirable for the health, safety and welfare of the
9 people in the area served by such facilities to have such
10 facilities provided by or financed through an authority;

11 (v) to provide financing for insurance reserves if
12 each municipality or authority intending to use any
13 proceeds thereof shall declare by resolution or ordinance
14 that it is desirable for the health, safety and welfare
15 of the people in such local government unit or served by
16 such authority; [or]

17 (vi) to projects for financing working capital[.];

18 (vii) for the expenditure of public money for the
19 maintenance and repair of private lateral sewer lines or
20 private lateral water lines, including the utilization of
21 authority employees for the maintenance and repair of
22 private lateral sewer lines, whether within or outside
23 the service area; or

24 (viii) for the construction and maintenance of water
25 or sanitary sewer pump stations, public water
26 distribution systems, public sewer collection systems or
27 similar general construction services, whether within or
28 outside the service area.

29 * * *

30 (d) Powers.--Every authority may exercise all powers

1 necessary or convenient for the carrying out of the purposes set
2 forth in this section, including, but without limiting the
3 generality of the foregoing, the following rights and powers:

4 * * *

5 (30) Where a sewer or water system of an authority is to
6 be extended or where a private lateral water line is to be
7 replaced or remediated at the expense of the owner of
8 properties or where the authority otherwise would construct
9 customer facilities referred to in paragraph (24), other than
10 water meter installation, a property owner shall have the
11 right to construct the extension or install the customer
12 facilities himself or through a subcontractor approved by the
13 authority, which approval shall not be unreasonably withheld.
14 The authority shall have the right, at its option, to perform
15 the construction itself only if the authority provides the
16 extension, replacement, remediation or customer facilities at
17 a lower cost and within the same timetable specified or
18 proposed by the property owner or his approved subcontractor.
19 Construction by the property owner shall be in accordance
20 with an agreement for the extension of the authority's system
21 and plans and specifications approved by the authority and
22 shall be undertaken only pursuant to the existing
23 regulations, requirements, rules and standards of the
24 authority applicable to such construction. Construction shall
25 be subject to inspection by an inspector authorized to
26 approve similar construction and employed by the authority
27 during construction. When a main is to be extended at the
28 expense of the owner of properties, the property owner may be
29 required to deposit with the authority, in advance of
30 construction, the authority's estimated reasonable and

1 necessary cost of reviewing plans, construction inspections,
2 administrative, legal and engineering services. The authority
3 may require that construction shall not commence until the
4 property owner has posted appropriate financial security in
5 accordance with paragraph (23). The authority may require the
6 property owner to reimburse it for reasonable and necessary
7 expenses it incurred as a result of the extension. If an
8 independent firm is employed for engineering review of the
9 plans and the inspection of improvements, reimbursement for
10 its services shall be reasonable and in accordance with the
11 ordinary and customary fees charged by the independent firm
12 for work performed for similar services in the community. The
13 fees shall not exceed the rate or cost charged by the
14 independent firm to the authority when fees are not
15 reimbursed or otherwise imposed on applicants. Upon
16 completion of construction, the property owner shall dedicate
17 and the authority shall accept the extension of the
18 authority's system if dedication of facilities and the
19 installation complies with the plans, specifications,
20 regulations of the authority and the agreement. An authority
21 may provide in its regulations those facilities which, having
22 been constructed at the expense of the owner of properties,
23 the authority will require to be dedicated and which facility
24 or facilities the authority will accept as a part of its
25 system.

26 * * *

27 (31.1) To perform the replacement or remediation of
28 private lateral water lines if the authority determines that
29 the replacement or remediation will benefit the public water
30 supply system or the public health. No authority that has

1 performed the replacement or remediation under this paragraph
2 shall be deemed to be the owner of the private lateral water
3 lines or obligated to perform any other duties regarding
4 private water lines, unless the authority makes an
5 affirmative determination to accept such duties.

6 (31.2) To use public funds for the replacement or
7 remediation of private lateral water lines if the authority
8 determines that the replacement or remediation will benefit
9 the public water supply system or the public health. Before
10 using public funds under this paragraph, the authority shall
11 consider the available public funds, equipment, personnel and
12 facilities and the competing demands of the authority for the
13 public funds, equipment, personnel and facilities.

14 * * *

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