

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1822 Session of 2019

INTRODUCED BY M. K. KELLER, GALLOWAY, BERNSTINE, BOBACK, CIRESI, GAYDOS, GLEIM, JONES, JOZWIAK, KAUFER, LONGIETTI, MILLARD, PYLE, SAYLOR, ZABEL AND ZIMMERMAN, SEPTEMBER 17, 2019

REFERRED TO COMMITTEE ON COMMERCE, SEPTEMBER 17, 2019

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
 2 as amended, "An act relating to the finances of the State
 3 government; providing for cancer control, prevention and
 4 research, for ambulatory surgical center data collection, for
 5 the Joint Underwriting Association, for entertainment
 6 business financial management firms, for private dam
 7 financial assurance and for reinstatement of item vetoes;
 8 providing for the settlement, assessment, collection, and
 9 lien of taxes, bonus, and all other accounts due the
 10 Commonwealth, the collection and recovery of fees and other
 11 money or property due or belonging to the Commonwealth, or
 12 any agency thereof, including escheated property and the
 13 proceeds of its sale, the custody and disbursement or other
 14 disposition of funds and securities belonging to or in the
 15 possession of the Commonwealth, and the settlement of claims
 16 against the Commonwealth, the resettlement of accounts and
 17 appeals to the courts, refunds of moneys erroneously paid to
 18 the Commonwealth, auditing the accounts of the Commonwealth
 19 and all agencies thereof, of all public officers collecting
 20 moneys payable to the Commonwealth, or any agency thereof,
 21 and all receipts of appropriations from the Commonwealth,
 22 authorizing the Commonwealth to issue tax anticipation notes
 23 to defray current expenses, implementing the provisions of
 24 section 7(a) of Article VIII of the Constitution of
 25 Pennsylvania authorizing and restricting the incurring of
 26 certain debt and imposing penalties; affecting every
 27 department, board, commission, and officer of the State
 28 government, every political subdivision of the State, and
 29 certain officers of such subdivisions, every person,
 30 association, and corporation required to pay, assess, or
 31 collect taxes, or to make returns or reports under the laws
 32 imposing taxes for State purposes, or to pay license fees or
 33 other moneys to the Commonwealth, or any agency thereof,

1 every State depository and every debtor or creditor of the
2 Commonwealth," in Local Government Capital Project Loan Fund,
3 further providing for definitions, for assistance to
4 municipalities and for powers and duties of department.

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

7 Section 1. The definition of "municipality" in section 1602-
8 D of the act of April 9, 1929 (P.L.343, No.176), known as The
9 Fiscal Code, is amended to read:

10 Section 1602-D. Definitions.--As used in this article--

11 * * *

12 "Municipality" shall mean any borough, town, first class
13 township, second class township, third class city or county,
14 provided that the term shall not include any boroughs, towns,
15 townships, cities or counties which have a population in excess
16 of [12,000] 15,000.

17 Section 2. Sections 1603-D(a) and (b) and 1605-D of the act
18 are amended to read:

19 Section 1603-D. Assistance to Municipalities.--(a) The
20 department is hereby authorized, upon application of a
21 municipality, to make loans to the municipality for the
22 following purposes and in the following amounts:

23 1. Purchasing equipment. The amount of a loan made for
24 purchasing equipment shall not exceed [fifty thousand dollars
25 (\$50,000)] one hundred fifty thousand dollars (\$150,000) for any
26 single piece of equipment or fifty per centum of the total cost
27 of the piece of equipment, whichever is less.

28 2. Purchasing, constructing, renovating or rehabilitating
29 facilities. The amount of a loan made for purchasing,
30 constructing, renovating or rehabilitating facilities shall not
31 exceed [one hundred thousand dollars (\$100,000)] two hundred and
32 fifty thousand dollars (\$250,000) for any single facility or

1 fifty per centum of the total cost for purchasing, constructing,
2 renovating or rehabilitating the facility, whichever is less.

3 (b) Loans made by the department for the purchase of
4 equipment shall be for a period not to exceed the useful life of
5 the equipment, and loans made for the purchase, construction,
6 renovation or rehabilitation of facilities shall be for a period
7 of not more than fifteen years. Loans shall be subject to the
8 payment of interest at [~~two per centum per annum and~~] a rate set
9 at the ten-year United States Treasury rate rounded to the
10 closest quarter point. Loan applications shall be subject to the
11 interest rate in effect at the time a complete application is
12 submitted to the department, which shall be the fixed rate for
13 the full term of the loan. Loans shall be subject to such
14 security as shall be determined by the department. The total
15 amount of interest earned by the investment or reinvestment of
16 all or any part of the principal of any loan shall be returned
17 to the department and transferred to the fund and shall not be
18 credited as payment of principal or interest on the loan. The
19 minimum amount of any loan shall be one thousand dollars
20 (\$1,000). The municipality shall comply with the approval
21 requirements of 53 Pa.C.S. Ch. 80 Subch. C (relating to
22 procedure for securing approval of electors).

23 * * *

24 Section 1605-D. Powers and Duties of Department.--In
25 addition to the powers and duties conferred upon the department
26 under other provisions of law, the department shall have the
27 power and duty to:

28 1. Lend money for the purposes authorized by this article
29 over a term of years, but in no case in excess of [~~ten~~] fifteen
30 years.

1 2. Accept grants from the Federal Government and any other
2 individual, agency or government for use in the fund.

3 3. Prescribe the form of the application for a loan pursuant
4 to this article.

5 4. Advise a municipality regarding the financial ability of
6 the municipality to purchase equipment or to purchase,
7 construct, renovate or rehabilitate facilities.

8 5. Assist a municipality in taking advantage of joint
9 purchasing arrangements and of opportunities to purchase surplus
10 equipment from the Commonwealth or other political subdivisions.

11 6. Require security for a loan, if determined to be
12 necessary.

13 7. Specify priority of liens against any facilities or
14 equipment purchased by a municipality using funds loaned
15 pursuant to this article, if determined to be necessary.

16 8. Establish a schedule which provides at least an annual
17 opportunity for municipalities to apply for and receive loans.

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