

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2548 Session of 2020

INTRODUCED BY FREEMAN, JAMES, MOUL, EVERETT, SAPPEY, WEBSTER AND KIRKLAND, MAY 26, 2020

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, SEPTEMBER 2, 2020

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 municipal financial
13 distress, providing for emergency plan extension.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The act of July 10, 1987 (P.L.246, No.47), known
17 as the Municipalities Financial Recovery Act, is amended by
18 adding a section to read:

19 Section 255.2. Emergency plan extension.

20 (a) Extension.--Notwithstanding any other provision of this <--
21 act or law, and except as provided under subsection (b), the
22 scheduled expiration of a plan or deadline to terminate the
23 distressed status of a municipality under this act shall be

1 ~~extended for a period of 18 months from the effective date of~~
2 ~~this section.~~

3 ~~(b) Plan amendment required. The department shall require~~
4 ~~each plan to be amended within 60 days of the effective date of~~
5 ~~this section to, at a minimum, incorporate the extended~~
6 ~~expiration date of the plan and address any recovery objectives~~
7 ~~affected by the proclamation of disaster emergency issued by the~~
8 ~~Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21,~~
9 ~~2020), and any renewal of the state of disaster emergency. A~~
10 ~~plan which is not amended under this subsection shall not be~~
11 ~~extended under subsection (a).~~

12 ~~(c) Application. This section shall not apply to any plan~~
13 ~~adopted by a municipality which was not distressed under this~~
14 ~~act on the effective date of this section. THE PLAN EXTENSION~~ <--
15 ~~AUTHORIZED BY SECTION 1604-D.1 OF THE ACT OF APRIL 9, 1929~~
16 ~~(P.L.343, NO.176), KNOWN AS THE FISCAL CODE, SHALL APPLY TO ANY~~
17 ~~DEADLINE TO TERMINATE THE DISTRESSED STATUS OF A MUNICIPALITY IN~~
18 ~~THIS SUBCHAPTER.~~

19 (B) APPLICABILITY.--THIS SECTION SHALL:

20 (1) NOT APPLY TO A PLAN ADOPTED BY A MUNICIPALITY WHICH
21 WAS NOT DISTRESSED UNDER THIS ACT ON THE EFFECTIVE DATE OF
22 THIS SECTION.

23 (2) APPLY RETROACTIVELY TO THE EXTENSION OF A PLAN ON OR
24 AFTER JULY 1, 2020.

25 Section 2. This act shall take effect immediately.