
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2912 Session of
2020

INTRODUCED BY SAPPEY, JAMES, MOUL, EVERETT AND FREEMAN,
OCTOBER 6, 2020

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, OCTOBER 6, 2020

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in general provisions related
3 indebtedness and borrowing, further providing for approval by
4 court to fund unfunded debt.

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

7 Section 1. Section 8130(b) of Title 53 of the Pennsylvania
8 Consolidated Statutes is amended and the section is amended by
9 adding a subsection to read:

10 § 8130. Approval by court to fund unfunded debt.

11 * * *

12 (b) Issuance and sale of bonds or notes.--The bonds or notes
13 representing funding debt so authorized by the court shall be
14 issued and sold by the governing body as provided by other
15 provisions of this subpart in respect of general obligation
16 bonds except as these provisions are modified by this section or
17 by orders of the court issued under this section, and, except as
18 provided under subsection (d), the proceedings filed by the
19 local government unit in respect of the funding bonds under

1 section 8201 (relating to certification to department of bond or
2 note transcript or lease, guaranty, subsidy contract or other
3 agreement) shall include certified copies of the petition and of
4 the order of the court.

5 * * *

6 (d) Exception to court approval during COVID-19 disaster
7 emergency.--The following shall apply:

8 (1) A local government unit that is also a municipality
9 may issue bonds or notes to fund unfunded debt without
10 petition or court approval after the effective date of this
11 subsection, subject to the following:

12 (i) The governing body shall, by resolution,
13 authorize the issuance of bonds or notes with findings
14 that, due to the COVID-19 pandemic:

15 (A) there has been an unforeseeable decline or
16 delay in revenues or that taxes levied have not
17 produced the revenues anticipated or that it was not
18 reasonable to foresee the obligation;

19 (B) paying the debt by curtailing municipal
20 services will be dangerous to the public health or
21 safety;

22 (C) additional Federal or Commonwealth funds are
23 not available or sufficient to defray the obligation;
24 and

25 (D) it is not feasible or not in the public
26 interest to levy additional taxes in the current
27 fiscal year.

28 (ii) The resolution under subparagraph (i) shall
29 also set forth the amount of the unfunded debt to be
30 funded by the bonds or notes.

1 (iii) The funding debt shall be charged against the
2 nonelectoral debt limits of the local government unit
3 under section 8022 (relating to limitations on incurring
4 of other debt), and shall mature over a number of years
5 not to exceed 10. Nothing in this subsection shall
6 preclude the issuance of emergency debt to the extent
7 authorized by this subpart during the COVID-19 disaster
8 emergency.

9 (iv) In addition to the requirements of section 8204
10 (relating to certificate of approval of transcript), the
11 department shall examine any bond or note transcripts or
12 other filings and shall only certify approval if the
13 municipality certifies to the department that the
14 unfunded debt amount is equal to or less than the decline
15 or delay in revenue reasonably attributable to the COVID-
16 19 pandemic.

17 (2) A local government unit that issues bonds or notes
18 under this subsection shall report the amount of unfunded
19 debt funded and the terms of the issue to the Pennsylvania
20 Local Government Commission within 30 days of the issuance.
21 The Commission shall prepare a report for the General
22 Assembly within one year of the expiration of this
23 subsection.

24 (3) As used in this section, the term "COVID-19 disaster
25 emergency" means the proclamation of disaster emergency
26 issued by the Governor on March 6, 2020, published at 50
27 Pa.B. 1644 (March 21, 2020), any renewal of the proclamation
28 of disaster emergency or any other proclamation of disaster
29 emergency related to the novel coronavirus, known as COVID-
30 19, issued by the Governor in accordance with 35 Pa.C.S. §

1 7301(c) (relating to general authority of Governor).

2 (4) This subsection shall expire December 31, 2021.

3 Section 2. This act shall take effect immediately.