

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 457 Session of 2021

INTRODUCED BY RYAN, GLEIM, KEEFER, LEWIS, KAUFFMAN, COOK,
B. MILLER, SAYLOR AND MOUL, FEBRUARY 9, 2021

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 9, 2021

AN ACT

1 Amending Titles 53 (Municipalities Generally) and 65 (Public
2 Officers) of the Pennsylvania Consolidated Statutes, in
3 municipal authorities, further providing for money of
4 authority and for competition in award of contracts; and, in
5 ethics standards and financial disclosure, further providing
6 for investigations by commission.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Sections 5612(a.1)(1) and 5614(e) of Title 53 of
10 the Pennsylvania Consolidated Statutes are amended to read:

11 § 5612. Money of authority.

12 * * *

13 (a.1) Prohibition.--

14 (1) Money of the authority may not be used for any
15 grant, loan or other expenditure for any purpose other than a
16 service or project directly related to the mission or purpose
17 of the authority as set forth in the articles of
18 incorporation or in the resolution or ordinance establishing
19 the authority under section 5603 (relating to method of
20 incorporation). Proceeds from borrowing under Subpart B of

1 Part VII (relating to indebtedness and borrowing) may not be
2 used for a purpose unrelated to the project for which the
3 debt was incurred or placed in an account used by the
4 authority or another local government unit for an unrelated
5 purpose.

6 * * *

7 § 5614. Competition in award of contracts.

8 * * *

9 (e) Conflict of interest.--No member of the authority or
10 officer or employee of the authority may directly or indirectly
11 be a party to or be interested in any contract or agreement with
12 the authority if the contract or agreement establishes liability
13 against or indebtedness of the authority. Any contract or
14 agreement made in violation of this subsection is void, and no
15 action may be maintained on the agreement against the authority.
16 A violation under this subsection constitutes a violation of 65
17 Pa.C.S. § 1103(a) (relating to restricted activities) that is
18 enforceable under 65 Pa.C.S. Ch. 11 (relating to ethics
19 standards and financial disclosure).

20 * * *

21 Section 2. Section 1108(a) and (c) of Title 65 are amended
22 to read:

23 § 1108. Investigations by commission.

24 (a) Preliminary inquiry.--Upon a complaint signed under
25 penalty of perjury by any person or upon its own motion, the
26 commission, through its executive director, shall conduct a
27 preliminary inquiry into any alleged violation of this chapter
28 or 53 Pa.C.S. § 5614(e) (relating to competition in award of
29 contracts). The commission shall keep information, records and
30 proceedings relating to a preliminary inquiry confidential. The

1 commission shall, however, have the authority to refer the case
2 to law enforcement officials during a preliminary inquiry or
3 anytime thereafter without providing notice to the subject of
4 the inquiry. The commission shall complete its preliminary
5 inquiry within 60 days of its initiation.

6 * * *

7 (c) Initiation of investigation.--If a preliminary inquiry
8 establishes reason to believe that this chapter or 53 Pa.C.S. §
9 5614(e) has been violated, the commission may, through its
10 executive director, initiate an investigation to determine if
11 there has been a violation. The commission shall keep
12 information, records and proceedings relating to an
13 investigation confidential until a final determination is made,
14 except as otherwise provided in subsection (g). No investigation
15 may be commenced until the person who is the subject of the
16 investigation has been notified and provided a general statement
17 of the alleged violation or violations of this chapter and other
18 applicable statutes with respect to such investigation. Service
19 of notice is complete upon mailing which shall be by certified
20 or registered mail. The commission shall notify the complainant
21 within 72 hours of the commencement of an investigation, and,
22 thereafter, the commission shall advise the complainant and the
23 person who is the subject of the investigation of the status of
24 the investigation at least every 90 days until the investigation
25 is terminated. The commission shall, within 180 days of the
26 initiation of an investigation, either terminate the
27 investigation pursuant to subsection (d) or issue a findings
28 report pursuant to subsection (e). Upon a showing by the
29 executive director of the need for extension of this period, the
30 commission may extend an investigation for up to two 90-day

1 periods, provided that each 90-day extension shall be approved
2 by a majority vote of members present. In no event shall a
3 findings report be issued later than 360 days after initiation
4 of an investigation.

5 * * *

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