
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1423 Session of
2023

INTRODUCED BY KAZEEM, MADDEN, LAWRENCE, WAXMAN, HILL-EVANS,
BOROWSKI, SANCHEZ, CERRATO, SMITH-WADE-EL AND FIEDLER,
JUNE 15, 2023

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 15, 2023

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 receivership in
13 municipalities, further providing for powers, duties and
14 prohibited actions.

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

17 Section 1. Section 706(a)(5) of the act of July 10, 1987
18 (P.L.246, No.47), known as the Municipalities Financial Recovery
19 Act, is amended to read:

20 Section 706. Powers, duties and prohibited actions.

21 (a) Powers and duties.--Notwithstanding any other provision
22 of law, the receiver shall have the following powers and duties:

23 * * *

1 (5) To require the distressed municipality or authority
2 to cause the sale, lease, conveyance, assignment or other use
3 or disposition of the distressed municipality's or
4 authority's assets in accordance with section 707[.],
5 provided that the distressed municipality and receiver obtain
6 approval from 75% of the governing bodies of municipalities
7 which have service agreements with or whose residents
8 previously received water or sewer services, or both, from
9 the distressed municipality or authority prior to the sale,
10 lease, conveyance, assignment or other use or disposition of
11 the distressed municipality's or authority's assets.

12 Municipal approval shall be as follows:

13 (i) The approval must be in the form of a
14 resolution.

15 (ii) The resolution must be adopted at a public
16 meeting by an affirmative vote of a majority of the
17 members of the governing body of the municipality.

18 (iii) The result of an affirmative vote must be
19 transmitted to the distressed municipality and receiver
20 within 48 hours of the vote.

21 * * *

22 Section 2. This act shall take effect in 60 days.