
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1424 Session of
2023

INTRODUCED BY KAZEEM, MADDEN, LAWRENCE, HANBIDGE, WAXMAN, HILL-
EVANS, BOROWSKI, SANCHEZ, CERRATO, KINSEY, FIEDLER AND
KRAJEWSKI, 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. If the
5 sale, lease, conveyance, assignment or other use or
6 disposition under this paragraph relates to a water or
7 wastewater system, the receiver shall contact the
8 Pennsylvania Public Utility Commission, and the Pennsylvania
9 Public Utility Commission shall complete an analysis and
10 submit the analysis to the receiver and municipality within
11 90 days after the contact. If the analysis determines that
12 the sale, lease, conveyance, assignment or other use or
13 disposition would result in a 25% increase in the monthly
14 average residential ratepayers bill, the receiver may not
15 proceed with the sale, lease, conveyance, assignment or other
16 use or disposition.

17 * * *

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