

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1426 Session of 2023

INTRODUCED BY GALLOWAY, EMRICK, GUENST, SANCHEZ, MADDEN, HILL- EVANS, PARKER, CIRESI, PISCIOTTANO AND D. WILLIAMS, JUNE 15, 2023

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 22, 2023

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
2 "An act relating to the finances of the State government;
3 providing for cancer control, prevention and research, for
4 ambulatory surgical center data collection, for the Joint
5 Underwriting Association, for entertainment business
6 financial management firms, for private dam financial
7 assurance and for reinstatement of item vetoes; providing for
8 the settlement, assessment, collection, and lien of taxes,
9 bonus, and all other accounts due the Commonwealth, the
10 collection and recovery of fees and other money or property
11 due or belonging to the Commonwealth, or any agency thereof,
12 including escheated property and the proceeds of its sale,
13 the custody and disbursement or other disposition of funds
14 and securities belonging to or in the possession of the
15 Commonwealth, and the settlement of claims against the
16 Commonwealth, the resettlement of accounts and appeals to the
17 courts, refunds of moneys erroneously paid to the
18 Commonwealth, auditing the accounts of the Commonwealth and
19 all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or

1 other moneys to the Commonwealth, or any agency thereof,
2 every State depository and every debtor or creditor of the
3 Commonwealth," in Local Government Capital Project Loan Fund,
4 further providing for definitions, for assistance to
5 municipalities and for powers and duties of department.

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

8 Section 1. The definition of "municipality" in section 1602-
9 D of the act of April 9, 1929 (P.L.343, No.176), known as The
10 Fiscal Code, is amended to read:

11 Section 1602-D. Definitions.--As used in this article--

12 * * *

13 "Municipality" shall mean any borough, town, first class
14 township, second class township, third class city or county,
15 provided that the term shall not include any boroughs, towns,
16 townships, cities or counties which have a population in excess
17 of [12,000] 15,000.

18 Section 2. Sections 1603-D(a) and (b) and 1605-D of the act
19 are amended to read:

20 Section 1603-D. Assistance to Municipalities.--(a) The
21 department is hereby authorized, upon application of a
22 municipality, to make loans to the municipality for the
23 following purposes and in the following amounts:

24 1. Purchasing equipment. The amount of a loan made for
25 purchasing equipment shall not exceed [fifty thousand dollars
26 (\$50,000)] ~~one hundred fifty thousand dollars (\$150,000)~~ TWO <--
27 HUNDRED THOUSAND DOLLARS (\$200,000) for any single piece of
28 equipment or fifty per centum of the total cost of the piece of
29 equipment, whichever is less.

30 2. Purchasing, constructing, renovating or rehabilitating
31 facilities. The amount of a loan made for purchasing,
32 constructing, renovating or rehabilitating facilities shall not

1 exceed [~~one hundred thousand dollars (\$100,000)] ~~two hundred and~~<--
2 ~~fifty thousand dollars (\$250,000)~~ FIVE HUNDRED THOUSAND DOLLARS <--
3 ~~(\$500,000)~~ for any single facility or fifty per centum of the
4 total cost for purchasing, constructing, renovating or
5 rehabilitating the facility, whichever is less.~~

6 (b) Loans made by the department for the purchase of
7 equipment shall be for a period not to exceed the useful life of
8 the equipment, and loans made for the purchase, construction,
9 renovation or rehabilitation of facilities shall be for a period
10 of not more than fifteen years. Loans shall be subject to the
11 payment of interest at [~~two per centum per annum and~~] a rate set
12 at the ten-year United States Treasury rate rounded to the
13 closest quarter point, not to exceed two per centum per annum.
14 Loan applications shall be subject to the interest rate in
15 effect at the time a complete application is submitted to the
16 department, which shall be the fixed rate for the full term of
17 the loan. Loans shall be subject to such security as shall be
18 determined by the department. The total amount of interest
19 earned by the investment or reinvestment of all or any part of
20 the principal of any loan shall be returned to the department
21 and transferred to the fund and shall not be credited as payment
22 of principal or interest on the loan. The minimum amount of any
23 loan shall be one thousand dollars (\$1,000). The municipality
24 shall comply with the approval requirements of 53 Pa.C.S. Ch. 80
25 Subch. C (relating to procedure for securing approval of
26 electors).

27 * * *

28 Section 1605-D. Powers and Duties of Department.--In
29 addition to the powers and duties conferred upon the department
30 under other provisions of law, the department shall have the

1 power and duty to:

2 1. Lend money for the purposes authorized by this article
3 over a term of years, but in no case in excess of [~~ten~~] fifteen
4 years.

5 2. Accept grants from the Federal Government and any other
6 individual, agency or government for use in the fund.

7 3. Prescribe the form of the application for a loan pursuant
8 to this article.

9 4. Advise a municipality regarding the financial ability of
10 the municipality to purchase equipment or to purchase,
11 construct, renovate or rehabilitate facilities.

12 5. Assist a municipality in taking advantage of joint
13 purchasing arrangements and of opportunities to purchase surplus
14 equipment from the Commonwealth or other political subdivisions.

15 6. Require security for a loan, if determined to be
16 necessary.

17 7. Specify priority of liens against any facilities or
18 equipment purchased by a municipality using funds loaned
19 pursuant to this article, if determined to be necessary.

20 8. Establish a schedule which provides at least an annual
21 opportunity for municipalities to apply for and receive loans.

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