

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1107 Session of 2013

INTRODUCED BY MURT, V. BROWN, CALTAGIRONE, COHEN, DeLUCA,  
M. K. KELLER, LONGIETTI, MILLARD, PASHINSKI AND SWANGER,  
APRIL 3, 2013

REFERRED TO COMMITTEE ON FINANCE, APRIL 3, 2013

AN ACT

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

1 The General Assembly of the Commonwealth of Pennsylvania  
2 hereby enacts as follows:

3 Section 1. Section 1603-D of the act of April 9, 1929  
4 (P.L.343, No.176), known as The Fiscal Code, amended or added  
5 October 6, 1997 (P.L.387, No.46) and July 5, 2006 (P.L.296,  
6 No.66), is amended to read:

7 Section 1603-D. Assistance to Municipalities.--(a) The  
8 department is hereby authorized, upon application of a  
9 municipality, to make loans to the municipality for the  
10 following purposes and in the following amounts:

11 1. Purchasing equipment. The amount of a loan made for  
12 purchasing equipment shall not exceed [twenty-five thousand  
13 dollars (\$25,000)] fifty thousand dollars (\$50,000) for any  
14 single piece of equipment or fifty per centum of the total cost  
15 of the piece of equipment, whichever is less.

16 2. Purchasing, constructing, renovating or rehabilitating  
17 facilities. The amount of a loan made for purchasing,  
18 constructing, renovating or rehabilitating facilities shall not  
19 exceed [fifty thousand dollars (\$50,000)] one hundred thousand  
20 dollars (\$100,000) for any single facility or fifty per centum  
21 of the total cost for purchasing, constructing, renovating or  
22 rehabilitating the facility, whichever is less.

23 [3. Temporary increase in loan limits. For the fiscal year  
24 commencing July 1, 2006, loans issued pursuant to paragraph 1  
25 shall not exceed fifty thousand dollars (\$50,000) and issued  
26 pursuant to paragraph 2 shall not exceed one hundred thousand  
27 dollars (\$100,000).]

28 (b) Loans made by the department for the purchase of  
29 equipment shall be for a period not to exceed the useful life of  
30 the equipment, and loans made for the purchase, construction,

1 renovation or rehabilitation of facilities shall be for a period  
2 of not more than [ten] twenty years. Loans shall be subject to  
3 the payment of interest at two per centum per annum and shall be  
4 subject to such security as shall be determined by the  
5 department. The total amount of interest earned by the  
6 investment or reinvestment of all or any part of the principal  
7 of any loan shall be returned to the department and transferred  
8 to the fund and shall not be credited as payment of principal or  
9 interest on the loan. The minimum amount of any loan shall be  
10 one thousand dollars (\$1,000). The municipality shall comply  
11 with the approval requirements of 53 Pa.C.S. Ch. 80 Subch. C  
12 (relating to procedure for securing approval of electors).

13 (c) Every application for a loan under this article shall be  
14 accompanied by a financial statement of the municipality and a  
15 financial plan to show how the loan will be repaid. Every  
16 application shall be accompanied by evidence sufficient to show  
17 that all costs, except the amount of the loan, will be met by  
18 assets or revenues of the municipality, grants or loans from  
19 other sources or in-kind contributions or services.

20 (d) Loans under this article shall be used for purchasing  
21 equipment and for purchasing, constructing, renovating or  
22 rehabilitating facilities and shall not be used for operating  
23 expenses or for the refinancing or reduction of any debt or  
24 obligation incurred prior to the effective date of this article.

25 (e) Loans made by the department shall be paid from the fund  
26 to municipalities in accordance with rules and regulations  
27 promulgated by the department.

28 (f) All payments of interest on loans and the principal  
29 thereof shall be deposited by the department in the fund.

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