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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1577 Session of  
2019

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FRANKEL AND MARKOSEK, JUNE 4, 2019

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 4, 2019

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AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled  
2 "An act relating to counties of the second class and second  
3 class A; amending, revising, consolidating and changing the  
4 laws relating thereto," providing for the voluntary  
5 dissolution of the existing form of governance of a municipal  
6 corporation located in a county of the second class and the  
7 creation of unincorporated districts of counties of the  
8 second class; authorizing the county to assume responsibility  
9 for the governance of the municipal corporation and delivery  
10 of public services to the citizens residing in the municipal  
11 corporation through the administration of an unincorporated  
12 district; and authorizing unincorporated district advisory  
13 committees.

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

16 Section 1. The act of July 28, 1953 (P.L.723, No.230), known  
17 as the Second Class County Code, is amended by adding an article  
18 to read:

19 ARTICLE XXXI-D

20 CREATION OF UNINCORPORATED DISTRICTS FOR THE  
21 GOVERNANCE OF DISSOLVED MUNICIPAL CORPORATIONS  
22 WITHIN COUNTIES OF THE SECOND CLASS

23 Section 3101-D. Scope of article.

1 This article relates to unincorporated districts of counties  
2 of the second class.

3 Section 3102-D. Legislative findings.

4 The General Assembly finds and declares as follows:

5 (1) While the electors of this Commonwealth have long  
6 had procedures by which to create new municipalities, the  
7 General Assembly may also provide a means whereby electors of  
8 municipalities may unilaterally terminate their municipal  
9 corporations.

10 (2) The electors residing in a municipal corporation  
11 located in a county of the second class should have the right  
12 to voluntarily dissolve their existing form of government and  
13 transfer all powers, duties and responsibilities for the  
14 governance of the municipal corporation to an unincorporated  
15 district administered by a county of the second class if the  
16 electors believe that the county would be able to provide for  
17 more efficient and effective municipal services.

18 (3) Article IX of the Constitution of Pennsylvania  
19 authorizes the governing body of a municipality to cooperate,  
20 transfer or delegate any function, power or responsibility by  
21 mutual agreement to another municipality, district or newly  
22 created governmental unit.

23 (4) The dissolution of the existing form of government  
24 for a municipal corporation and the substitution of an  
25 unincorporated district as a new form of government  
26 administered by the county is authorized by Article IX of the  
27 Constitution of Pennsylvania, which provides broad authority  
28 to the General Assembly to provide for local government.

29 (5) It is appropriate for an unincorporated district to  
30 transfer administrative functions to the county under section

1 5 of Article IX of the Constitution of Pennsylvania, which  
2 provides that a municipality may delegate or transfer any  
3 function, power or responsibility to another municipality,  
4 including a county.

5 (6) In recognition of the problems faced by certain  
6 municipal corporations located within counties of the second  
7 class and the shared benefits available to other  
8 municipalities, it is appropriate for the General Assembly to  
9 authorize the creation of unincorporated districts within  
10 counties of the second class.

11 Section 3103-D. Definitions.

12 The following words and phrases when used in this article  
13 shall have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Administrative code." The ordinance of the county providing  
16 for the administration and operation of the county's government  
17 consistent with the county's home rule charter or a successor  
18 law or ordinance.

19 "County." A county of the second class in which a municipal  
20 corporation is entirely located.

21 "County council." The elected legislative body of a county  
22 elected in accordance with the home rule charter or a successor  
23 or successors to the legislative duties and responsibilities of  
24 the elected legislative body.

25 "County executive." The county executive of a county elected  
26 in accordance with the home rule charter or a successor or  
27 successors to the executive duties and responsibilities of the  
28 county executive.

29 "County manager." An appointed chief administrative officer  
30 of a county responsible to the county executive for the

1 administration of the day-to-day operations and administration  
2 of county government or a successor or successors to the  
3 operational and administrative duties and responsibilities of  
4 the chief administrative officer.

5 "Dissolution." Replacement of the existing form of  
6 governance of a municipal corporation with an unincorporated  
7 district administered by a county.

8 "Dissolved municipality." A municipal corporation whose  
9 electors have voted to voluntarily dissolve the municipal  
10 corporation's existing form of governance and to have the county  
11 assume all powers, duties and responsibilities for governance of  
12 the municipal corporation and delivery of public services  
13 through the administration of an unincorporated district.

14 "District advisory committee." A body appointed to advise a  
15 county manager concerning matters related to the governance of a  
16 dissolved municipality that has become an unincorporated  
17 district of the county.

18 "Electors." The registered voters of a municipal corporation  
19 seeking to voluntarily dissolve the existing form of governance  
20 of a municipal corporation in which the electors reside and to  
21 have the county assume all powers, duties and responsibilities  
22 for governance of the municipal corporation and delivery of  
23 public services through the administration of an unincorporated  
24 district or the registered voters in an unincorporated district  
25 of the county seeking to reestablish the dissolved municipality  
26 as a separate municipal corporation.

27 "Governing body." Any of the following:

28 (1) The council in a city, borough or incorporated town.

29 (2) The board of commissioners in a township of the  
30 first class.

1           (3) The board of supervisors in a township of the second  
2           class.

3           (4) The elected legislative body in a home rule  
4           municipality.

5           "Home rule charter." The home rule charter of a home rule  
6           municipality, including the home rule charter of a county.

7           "Municipal corporation." A city, borough, incorporated town,  
8           township or home rule municipality with a population of 10,000  
9           or less and located entirely in a county.

10          "Official action." A vote taken by the governing body at a  
11          public meeting.

12          "Unincorporated district." The name of the geographical  
13          territory encompassing a dissolved municipality.

14          Section 3104-D. Initiation of municipal corporation  
15                   dissolution.

16          (a) Findings.--If the governing body of a municipal  
17          corporation finds that the residents of the municipal  
18          corporation would be better served by the administration of  
19          municipal services by the county, the governing body may seek to  
20          provide for the dissolution of the municipal corporation under  
21          this article.

22          (b) Resolution of preliminary interest.--

23               (1) The governing body of a municipal corporation shall  
24               indicate its interest in exploring dissolution of the  
25               municipal corporation by adopting a nonbinding resolution of  
26               preliminary interest. In the resolution, the governing body  
27               of the municipal corporation shall expressly authorize its  
28               elected and appointed officials and officers to enter into  
29               formal discussions with the county concerning the preparation  
30               of an essential services transition plan as part of an

1 intergovernmental cooperation agreement under the provisions  
2 of 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental  
3 cooperation) under which the existing form of governance of  
4 the municipal corporation would be voluntarily dissolved  
5 following an affirmative vote by the electors of the  
6 municipal corporation at a referendum and all powers, duties  
7 and responsibilities for the governance of the municipal  
8 corporation and delivery of public services to the citizens  
9 residing in the municipal corporation eventually would be  
10 transferred to and exercised by the county through the  
11 administration of an unincorporated district.

12 (2) The governing body of a municipal corporation shall  
13 transmit a certified copy of the governing body's adopted  
14 resolution of preliminary interest to the county manager.

15 (3) Within 10 business days of the receipt of the  
16 certified copy of the municipal corporation's resolution of  
17 preliminary interest, the county manager or the manager's  
18 authorized representative or delegate shall contact the  
19 authorized officer or representative of the municipal  
20 corporation to begin formal discussions on the development of  
21 an essential services transition plan as part of an  
22 intergovernmental cooperation agreement under the provisions  
23 of 53 Pa.C.S. Ch. 23 (relating to general provisions) under  
24 which the existing form of governance of the municipal  
25 corporation would be dissolved and all powers, duties and  
26 responsibilities for the governance of the municipal  
27 corporation and for delivery of public services to the  
28 citizens residing in the municipal corporation would be  
29 transferred to and exercised by the county through an  
30 unincorporated district.

1 Section 3105-D. Development of essential services transition  
2 plan and time period for development of plan.

3 (a) Proposed plan and intergovernmental cooperation  
4 agreement.--The authorized representatives of the municipal  
5 corporation and the county shall confer and prepare a written  
6 proposed essential services transition plan as part of an  
7 intergovernmental cooperation agreement under the provisions of  
8 53 Pa.C.S. Ch. 23 (relating to general provisions) under which  
9 the existing form of governance of the municipal corporation  
10 would be dissolved and all powers, duties and responsibilities  
11 for the governance of the municipal corporation and delivery of  
12 public services to the citizens residing in the municipal  
13 corporation would be transferred to and exercised by the county  
14 through an unincorporated district.

15 (b) Time period to complete proposed plan and  
16 intergovernmental cooperation agreement.--The proposed  
17 intergovernmental cooperation agreement with the proposed  
18 essential services transition plan shall be completed by the  
19 authorized representatives of the county and the municipal  
20 corporation within 180 days of the date agreed upon as the  
21 commencement date of discussions concerning the development of  
22 the essential services transition plan as part of the  
23 intergovernmental cooperation agreement.

24 (c) Intergovernmental cooperation.--During the 180-day  
25 period of the development of the essential services transition  
26 plan as part of the intergovernmental cooperation agreement  
27 between the county and the municipal corporation, the county and  
28 the municipal corporation shall exchange information and provide  
29 records and other necessary documents as may be reasonably  
30 requested to assist in the preparation of the agreement.

1 (d) Extension.--

2 (1) If a final proposed essential services transition  
3 plan as part of the intergovernmental cooperation agreement  
4 is not completed by the end of the 180-day period under  
5 subsection (b), the time period for the development of the  
6 essential services transition plan may be extended by mutual  
7 agreement of the county and the municipal corporation for an  
8 additional 90 days.

9 (2) If the county and the municipal corporation cannot  
10 reach an agreement on a final proposed essential services  
11 transition plan by the end of the additional 90-day period,  
12 then all discussions concerning possible dissolution of the  
13 municipal corporation and replacement of its governance by an  
14 unincorporated district administered by the county shall be  
15 concluded.

16 (e) Costs and expenses.--The county and the municipal  
17 corporation shall bear their own costs and expenses incurred  
18 during the development of the essential services transition  
19 plan.

20 Section 3106-D. Essential services transition plan.

21 (a) Content.--In addition to the requirements contained in  
22 53 Pa.C.S. § 2307 (relating to content of ordinance), the  
23 intergovernmental cooperation agreement created under section  
24 3105-D shall include a written proposed essential services  
25 transition plan. The plan shall provide for, but not be limited  
26 to, the following matters:

27 (1) Establishment of the name of the district. A  
28 district established by this article shall be named "The  
29 Unincorporated District of \_\_\_\_\_ of \_\_\_\_\_ County."

30 (2) Disposition and handling of debts and obligations of

1 the municipal corporation.

2 (3) Disposition and handling of suits, claims and  
3 demands against the municipal corporation.

4 (4) The closing or transfer of all accounts of the  
5 municipal corporation.

6 (5) The status, number and role of employees of the  
7 municipal corporation and modifications to or rescission of  
8 collective bargaining agreements applicable to the employees  
9 in accordance with applicable laws.

10 (6) The disposition of each ongoing contract to which  
11 the municipal corporation is a party. The proposed essential  
12 services transition plan may provide for the disposition of  
13 each contract by making the county a successor to the  
14 contract with the assent of other parties to the contract or  
15 the termination or modification of the contract according to  
16 the contract's terms.

17 (7) Disposition of all real and personal property and  
18 other assets of the municipal corporation by sale, lease or  
19 conveyance. The proceeds of a disposition shall be used for  
20 the exclusive benefit of the residents of the municipal  
21 corporation and may be applied for the following purposes:

22 (i) Payment of outstanding debt obligations to the  
23 municipal corporation.

24 (ii) Provision of municipal services to the electors  
25 of the municipal corporation.

26 (8) A consolidation of ordinances of the municipal  
27 corporation related to the health, safety or general welfare  
28 of the residents of the district and land use that the county  
29 and the municipal corporation determine will remain in effect  
30 within the district following the dissolution of the

1 municipal corporation.

2 (9) (i) The rates of taxes and fees that shall apply in  
3 the unincorporated district beginning on the date of the  
4 dissolution of the municipal corporation.

5 (ii) This paragraph shall apply to any tax that the  
6 municipal corporation may levy by its municipal code or  
7 the act of December 31, 1965 (P.L.1257, No.511), known as  
8 The Local Tax Enabling Act.

9 (10) Local emergency management in accordance with the  
10 plan and program of the Pennsylvania Emergency Management  
11 Agency. The plan shall provide for the district in a  
12 substantially similar manner as plans required for a  
13 political subdivision under 35 Pa.C.S. Ch. 75 Subch. A  
14 (relating to general provisions). The proposed essential  
15 services transition plan shall include a procedure for a  
16 declaration of a disaster emergency to be made in the  
17 district and the designation of a local coordinator of  
18 emergency management.

19 (11) The disposition and storage of all books, records,  
20 deeds, papers and other important documents.

21 (12) The status, funding, payment and future  
22 administration of pensions and pension plans administered by  
23 the municipal corporation or on behalf of the municipal  
24 corporation by a third party.

25 (13) The level and mode of delivery of municipal  
26 services.

27 (14) A proposed operating and capital budget that may  
28 include a capital improvement plan and tax and fee rates.

29 (15) Outstanding delinquent taxes and debts and  
30 assignment of the delinquent taxes and debts for collection.

1       (16) The formation of the district advisory committee  
2 which shall be consistent with section 3112-D and the powers  
3 and duties provided under this article. The plan shall  
4 provide for the methods of appointment, removal and  
5 designation of a chair and terms of the members of the  
6 committee.

7       (17) Any other matter or item determined by the county  
8 and the municipal corporation to be germane to the future  
9 governance of the municipal corporation by an unincorporated  
10 district administered by the county.

11 (b) Public notice.--

12       (1) Notwithstanding the provisions of 53 Pa.C.S. Ch. 23  
13 (relating to general provisions), not less than 45 days  
14 before executing the proposed essential services transition  
15 plan as a part of an intergovernmental cooperation agreement  
16 under subsection (a), the municipal corporation shall publish  
17 in at least one newspaper of general circulation a  
18 notification of the hearing under subsection (c) and a brief  
19 summary prepared by the solicitor of the municipal  
20 corporation of the proposed intergovernmental cooperation  
21 agreement stating all the provisions of the proposed  
22 essential services transition plan between the county and the  
23 municipal corporation in reasonable detail and a reference to  
24 the office or other place where copies of the proposed  
25 intergovernmental cooperation agreement may be examined.

26       (2) The proposed intergovernmental cooperation agreement  
27 shall also be published on the publicly accessible Internet  
28 website of the county and the municipal corporation, where  
29 the publicly accessible Internet website has been previously  
30 established.

1 (c) Public hearing.--

2 (1) At least 15 days after the publication of the notice  
3 under subsection (b), the governing body of the municipal  
4 corporation shall hold a public hearing, located in the  
5 municipal corporation, to present a summary of the proposed  
6 agreement and accept public comment on the proposed essential  
7 services transition plan.

8 (2) Two members of county council, one of whom shall be  
9 the member who represents the municipal corporation on the  
10 county council, the county executive of the county or the  
11 county executive's designee and other representatives of the  
12 county who the county executive deems necessary shall attend  
13 the public hearing to provide information on the proposed  
14 intergovernmental cooperation agreement and to receive public  
15 comments.

16 (d) Revisions following public hearing.--A revision made to  
17 the proposed essential services transition plan as a part of an  
18 intergovernmental cooperation agreement after the public hearing  
19 shall be made available for public examination and published on  
20 the publicly accessible Internet website as provided under  
21 subsection (b) at least 15 days prior to final approval and the  
22 execution of the agreement by the governing body of the  
23 municipal corporation.

24 (e) Final approval of essential services transition plan.--

25 (1) (i) The governing body of the municipal corporation  
26 shall take official action on an ordinance to adopt the  
27 final proposed intergovernmental cooperation agreement  
28 under the provisions of 53 Pa.C.S. Ch. 23 at a regularly  
29 scheduled meeting or at a special meeting called to  
30 consider the final proposed agreement.

1           (ii) If the governing body of the municipal  
2           corporation approves the ordinance to adopt the final  
3           proposed intergovernmental cooperation agreement, the  
4           ordinance of the municipal corporation shall become  
5           effective only as provided in section 3107-D(b)(4). The  
6           municipal corporation, through its authorized  
7           representative or delegate, shall execute the final  
8           proposed intergovernmental cooperation agreement and  
9           transmit the signed agreement and certified copies of its  
10           official action approving the final proposed agreement to  
11           county council, the county executive and the county  
12           manager.

13           (iii) If the governing body of the municipal  
14           corporation disapproves the ordinance to adopt the final  
15           proposed intergovernmental cooperation agreement, the  
16           municipal corporation shall transmit official notice of  
17           the disapproval of the final proposed agreement to the  
18           county council, the county executive and the county  
19           manager.

20           (iv) Upon receipt of notice of disapproval of the  
21           final proposed agreement, the possible dissolution of the  
22           municipal corporation and replacement of its governance  
23           by an unincorporated district administered by the county  
24           shall be deemed to be concluded.

25           (2) (i) Upon receipt of a certified copy of the  
26           municipal corporation's official action approving the  
27           final proposed agreement, the county council shall take  
28           official action to approve the final proposed  
29           intergovernmental cooperation agreement by enacting a  
30           county ordinance that becomes effective as provided under

1 section 3111-D at a regularly scheduled meeting or at a  
2 special meeting called to consider the final proposed  
3 agreement.

4 (ii) If the county council takes official action to  
5 approve the final proposed agreement, the county council  
6 shall submit the proposed county ordinance approving the  
7 final proposed intergovernmental cooperation agreement to  
8 the county executive for approval in accordance with the  
9 county's administrative code.

10 (iii) If the county executive signs the county  
11 ordinance or the county council overrides a veto of the  
12 ordinance, the county manager shall execute the final  
13 intergovernmental cooperation agreement on behalf of the  
14 county and transmit the signed intergovernmental  
15 cooperation agreement and a certified copy of the county  
16 council's official action approving the county ordinance  
17 authorizing the final proposed agreement to the municipal  
18 corporation.

19 (iv) If the county council votes to disapprove the  
20 county ordinance authorizing the final proposed agreement  
21 or the county council fails to override the county  
22 executive's veto of the county ordinance authorizing the  
23 final proposed agreement, the county council, through its  
24 authorized representative or delegate, shall transmit  
25 official notice of the disapproval of the final proposed  
26 agreement to the municipal corporation, the county  
27 executive and the county manager.

28 (v) Upon receipt of the notice of disapproval of the  
29 final proposed agreement, the possible dissolution of the  
30 municipal corporation and replacement of its governance

1 by an unincorporated district administered by the county  
2 shall be deemed to be concluded.

3 Section 3107-D. Referendum.

4 (a) Filing.--

5 (1) Within 30 days of the receipt of the fully signed  
6 intergovernmental cooperation agreement from the county under  
7 section 3106-D(e) (2), the governing body of the municipal  
8 corporation shall file a notice with the county board of  
9 elections requesting submission of the question of the  
10 dissolution of the municipal corporation to the voters of the  
11 municipal corporation by referendum.

12 (2) The governing body of the municipal corporation  
13 shall include a certified copy of the signed  
14 intergovernmental cooperation agreement with the notice of  
15 intent for holding the referendum.

16 (3) The governing body of the municipal corporation  
17 shall provide copies of the notice of intent filed with the  
18 county board of elections to the county council, the county  
19 executive and the county manager.

20 (b) Conduct of referendum.--

21 (1) Upon receiving the notice in subsection (a), the  
22 county board of elections shall schedule a referendum to be  
23 held at the next available election occurring at least 13  
24 weeks after the municipal corporation's receipt of the signed  
25 intergovernmental cooperation agreement from the county under  
26 section 3106-D(e) (2).

27 (2) The question of the referendum shall be:

28 Shall (name of municipal corporation) dissolve its  
29 existing form of governance and become an  
30 unincorporated district administered by the county

1 under the essential services transition plan adopted  
2 (date of intergovernmental cooperation agreement)?

3 (3) Upon certification of the election results, the  
4 county board of elections shall send notice of the results of  
5 the referendum to the governing body of the municipal  
6 corporation, the county council, the county executive, the  
7 county manager and the Department of Community and Economic  
8 Development.

9 (4) If a majority of the electors voting on the question  
10 approve, dissolution of the municipal corporation shall occur  
11 according to the provisions of section 3108-D.

12 (5) No municipal corporation that has disapproved a  
13 referendum under this section shall initiate the processes  
14 for municipal dissolution under this article for a period of  
15 five years.

16 Section 3108-D. Effect of dissolution.

17 (a) Winding-down of affairs of the municipal corporation.--  
18 Following certification by the county board of elections that  
19 the referendum has been approved, the governing body of the  
20 municipal corporation, with the assistance of the county, shall  
21 proceed with the orderly winding-down of the municipal  
22 corporation in accordance with the essential services transition  
23 plan.

24 (b) Effective date of dissolution.--The effective date of  
25 the dissolution of the municipal corporation shall be 180 days  
26 following the certification by the county board of elections  
27 that the referendum has been approved. Upon the effective date  
28 of dissolution, all of the following shall occur:

29 (1) The terms of office of all elected and appointed  
30 officers of the municipal corporation shall end.

1           (2) The essential services transition plan adopted by  
2 the intergovernmental cooperation agreement shall take effect  
3 as a county ordinance under section 3111-D.

4           (3) The area formerly contained within the municipal  
5 corporation shall become an unincorporated district of the  
6 county. The district shall have the name designated in the  
7 intergovernmental cooperation agreement.

8           (4) The members of the district advisory committee shall  
9 be appointed according to the provisions of the essential  
10 services transition plan ordinance within 30 days.

11 Section 3109-D. Unincorporated district of county.

12           (a) General rule.--The area formerly contained within a  
13 municipal corporation shall, after dissolution under this  
14 article, become an unincorporated district of the county in  
15 which the area is located. The unincorporated district shall be  
16 a limited purpose unit of local government established to be  
17 administered by and receive services from the county.

18           (b) Authorized administrative authority.--

19           (1) All legislative, administrative and quasi-judicial  
20 powers of the unincorporated district shall be vested in the  
21 county.

22           (2) The county manager, through the administrative  
23 structure that is deemed to be appropriate and necessary,  
24 shall manage the day-to-day operations of the unincorporated  
25 district.

26           (3) The county manager shall prepare an annual operating  
27 and capital budget and proposed tax, fee and service charge  
28 rates for the unincorporated district for the county  
29 council's approval.

30           (4) The county council may enact ordinances to provide

1 for the exercise of the powers assigned to the county under  
2 this article and the delivery of public services to the  
3 citizens residing in the unincorporated district as the  
4 county council deems necessary.

5 (c) Corporate powers.--The county may exercise the following  
6 powers in the governance and administration of the  
7 unincorporated district:

8 (1) Any power which would have been conferred upon the  
9 municipal corporation prior to its dissolution by the laws of  
10 this Commonwealth relating to the municipal corporation,  
11 including, but not limited to, the municipal code applicable  
12 to the dissolved municipality or the home rule charter of the  
13 municipal corporation.

14 (2) Any power conferred by statute upon all  
15 municipalities in this Commonwealth or all municipalities of  
16 the class that the municipal corporation had been prior to  
17 dissolution.

18 (3) Any power of the county not denied by this article,  
19 the county's home rule charter, as the case may be, or the  
20 Constitution of Pennsylvania.

21 (d) District real and personal property.--

22 (1) All assets not sold by the municipal corporation  
23 during the course of the winding-down of the municipal  
24 corporation's affairs and the date of dissolution as provided  
25 for under section 3108-D shall become the property of the  
26 unincorporated district. Proceeds resulting from the  
27 disposition of any property shall be applied for the  
28 exclusive benefit of the residents of the district.

29 (2) The county shall provide as it deems necessary and  
30 prudent for the repair and maintenance of all real property

1 and roadways for the benefit of the residents and property  
2 owners of the unincorporated district.

3 (3) Nothing in this subsection shall be construed to  
4 require the express approval of the General Assembly to  
5 dispose of or use any lands acquired with funds under the act  
6 of June 22, 1964 (Sp.Sess., P.L.131, No.8), known as the  
7 Project 70 Land Acquisition and Borrowing Act, for purposes  
8 other than those provided by that act, except that the  
9 Commonwealth may succeed in title of the property for the  
10 limited purposes established by this subsection.

11 (e) Former municipal debt.--

12 (1) All debt incurred by the municipal corporation  
13 before the establishment of the unincorporated district shall  
14 be the debt of the district. The county shall provide for the  
15 service of the debt from revenues collected within the  
16 district.

17 (2) Nothing in this subsection shall be construed to  
18 require the county to guarantee debt incurred by a dissolved  
19 municipality or unincorporated district with revenues from  
20 the county's general fund or other source of revenue not  
21 derived from taxes collected or fees assessed for the  
22 administration of this article or gains from the sale of  
23 assets of the dissolved municipality.

24 (f) District debt.--

25 (1) The county may incur debt designating the  
26 unincorporated district as the promisor provided that the  
27 debt is limited to the exclusive benefit of the residents of  
28 the district. For the purposes of 53 Pa.C.S. Pt. VII Subpt. B  
29 (relating to indebtedness and borrowing), the district shall  
30 constitute a local government unit.

1           (2) Taxes levied by the county in the district may be a  
2           form of guaranteed revenue to support the debt.

3           (3) Debt incurred under this subsection shall be  
4           evaluated against the borrowing base of the district but not  
5           the county.

6           (g) Eligibility for State grants and programs.--The county  
7           may apply for and be eligible to receive any financial grant,  
8           loan or payment on behalf of the district, and the district may  
9           participate in any program for which it was eligible when it was  
10           a municipal corporation, including, but not limited to,  
11           emergency grants and loans from the Commonwealth, payments  
12           distributed under the act of June 1, 1956 (1955 P.L.1944,  
13           No.655), referred to as the Liquid Fuels Tax Municipal  
14           Allocation Law, all programs administered by the Pennsylvania  
15           Infrastructure Investment Authority and all economic and  
16           community development programs funded by the Commonwealth.

17           (h) Relationship with existing municipal and other  
18           authorities preserved.--

19           (1) Authorities established to provide services to the  
20           residents and property owners of a municipal corporation  
21           prior to dissolution shall continue to serve the residents  
22           and property owners of a district, and members of the  
23           authority appointed by the governing body of the municipal  
24           corporation prior to dissolution shall continue to serve out  
25           the remainder of the members' respective terms.

26           (2) Notwithstanding the provisions of 53 Pa.C.S. § 5607  
27           (relating to purposes and powers) or any other provision of  
28           law, subsequent appointments to the authority board which  
29           would otherwise be made by the governing body of the  
30           municipal corporation shall be made by the county executive

1 in consultation with the district advisory committee subject  
2 to approval by the county council.

3 (i) Pennsylvania Construction Code.--The act of November 10,  
4 1999 (P.L.491, No.45), known as the Pennsylvania Construction  
5 Code Act, shall apply to construction, alteration, repair and  
6 occupancy of buildings within the district as though the  
7 district were a municipality.

8 (j) Continuation of local ordinances, rules and  
9 regulations.--

10 (1) Subject to the provisions of the home rule charter  
11 and the administrative code, the county council shall be  
12 vested with the power to amend, repeal or enact ordinances,  
13 rules and regulations governing an unincorporated district.

14 (2) Unless amended or repealed by county council, all  
15 ordinances, rules and regulations of the municipal  
16 corporation in effect as of the date of dissolution shall  
17 remain in effect as if duly adopted under the county home  
18 rule charter and the administrative code and shall be  
19 enforced by the county within an unincorporated district.

20 Section 3110-D. Revenue, taxation, fees and assessments.

21 (a) General rule.--The county council may, acting as the  
22 governing body of the unincorporated district, enact through  
23 ordinance and resolution and the county executive, through the  
24 county manager, may enforce local tax, fee and service charges  
25 for the unincorporated district at any rate or amount as granted  
26 by statute to the class of municipal corporation that the  
27 unincorporated district was prior to its dissolution under this  
28 article or under other applicable State laws, including, but not  
29 limited to, the act of December 31, 1965 (P.L.1257, No.511),  
30 known as The Local Tax Enabling Act.

1 (b) Levy.--

2 (1) The county council shall levy and the county shall  
3 collect taxes, fees and service charges authorized by  
4 subsection (a) on the subjects of taxation and fees or  
5 service charges on behalf of the unincorporated district for  
6 the operating and capital expenses of the unincorporated  
7 district.

8 (2) If the county levies a tax on the district that  
9 would have been a taxation power of the municipal corporation  
10 prior to dissolution, revenue derived from the levy shall be  
11 restricted to the exclusive benefit of the district.

12 (3) In lieu of the power specified in paragraph (1), the  
13 county may levy, on subjects fixed by law for each municipal  
14 corporation prior to dissolution, uniform taxes on all  
15 unincorporated districts within the county, provided that the  
16 revenue derived from the levy is restricted to the exclusive  
17 benefit of all districts within the county.

18 (c) Other revenues.--If the dissolved municipality collected  
19 or received revenue other than through taxes, fees or service  
20 charges, the same shall continue to be paid to the county after  
21 dissolution, and the county shall apply the revenue to the  
22 exclusive benefit of the district.

23 (d) Uncollected taxes, fees and service charges.--If, after  
24 the effective date of dissolution, there are uncollected taxes,  
25 fees and service charges, revenues or unsatisfied tax claims or  
26 municipal claims, debts or obligations owed to the dissolved  
27 municipality, the county may take action authorized by the laws  
28 of this Commonwealth to ensure that the uncollected taxes, fees  
29 and service charges, revenues or unsatisfied tax claims or  
30 municipal claims, debts or obligations of the dissolved

1 municipality are paid to the county for the benefit of the  
2 district.

3 Section 3111-D. Essential services transition plan ordinance.

4 (a) Effective date of essential services transition plan  
5 ordinance.--Upon the dissolution of the municipal corporation  
6 and expiration of the intergovernmental cooperation agreement,  
7 the essential services transition plan adopted by the agreement  
8 shall take effect as an ordinance of the county that applies to  
9 the unincorporated district.

10 (b) Revision of essential services transition plan  
11 ordinance.--The county, through the county council, may  
12 periodically adopt, amend or repeal any provision of the  
13 essential services plan ordinance for a specific unincorporated  
14 district, provided that the residents of the district are given  
15 an opportunity to make local comment on any proposed revision to  
16 the ordinance under subsection (c) prior to the governing body's  
17 vote revising the ordinance.

18 (c) Local comment meeting.--

19 (1) If the county proposes a revision to the essential  
20 services transition plan ordinance of a specific  
21 unincorporated district, a special joint meeting of a quorum  
22 of the district advisory committee and two members of the  
23 county council shall be convened. The chair of the district  
24 advisory committee shall preside over the meeting.

25 (2) If the county governing body is elected by electoral  
26 district, at least one of the members of the county governing  
27 body participating in the special joint meeting shall be a  
28 member that represents at least a portion of the  
29 unincorporated district.

30 (3) The members of the district advisory committee and

1 the county council shall permit public comment on the county  
2 proposal at the special joint meeting.

3 (4) The members of the special joint meeting shall vote  
4 on a resolution regarding the proposal to:

5 (i) recommend the adoption of the proposal;

6 (ii) recommend the adoption of the proposal with  
7 amendment;

8 (iii) recommend against the adoption of the  
9 proposal; or

10 (iv) abstain from making a recommendation on the  
11 proposal.

12 (5) The members participating in the joint special  
13 meeting shall provide notice of any resolution adopted at the  
14 joint special meeting to each member of the county council.

15 Section 3112-D. District advisory committee.

16 (a) Composition.--

17 (1) Each unincorporated district shall establish a  
18 district advisory committee. The district advisory committee  
19 shall consist of three members who must be electors residing  
20 within the district.

21 (2) The members of the district advisory committee shall  
22 be appointed by the county executive subject to approval by a  
23 majority of the seated members of the county council.

24 (3) The members of the district advisory committee shall  
25 serve at the pleasure of the county executive.

26 (4) At the first meeting of each calendar year, the  
27 district advisory committee shall elect a chair who shall  
28 preside over each meeting.

29 (b) Meetings.--

30 (1) The district advisory committee shall hold at least

1 four regularly scheduled public meetings in the  
2 unincorporated district each year. The meetings shall be open  
3 meetings under 65 Pa.C.S. Ch. 7 (relating to open meetings).

4 (2) At each meeting, the district advisory committee  
5 shall permit public comment and may provide recommendations  
6 by resolution to the county as to the governance and  
7 administration of the district.

8 (3) A majority of the members of the district advisory  
9 committee shall constitute a quorum.

10 Section 3113-D. Financial assistance.

11 The Department of Community and Economic Development shall  
12 establish and administer, provided funds are appropriated or  
13 available for the purpose, a grant program to assist municipal  
14 corporations that are considering dissolution and formation of  
15 an unincorporated district administered by the county. Grants  
16 may be used by municipal corporations and the county to offset  
17 the cost and expenses in the development of essential services  
18 transition plans.

19 Section 3114-D. Merger and consolidation and reestablishment of  
20 or incorporation as a municipal corporation.

21 (a) Procedure.--

22 (1) For the limited purpose of merging or consolidating  
23 with one or more surrounding municipalities under 53 Pa.C.S.  
24 Ch. 7 Subch. C (relating to consolidation and merger), the  
25 residents of an unincorporated district may file a petition  
26 with the county board of elections as provided in 53 Pa.C.S.  
27 §§ 735 (relating to initiative of electors seeking  
28 consolidation or merger without new home rule charter) and  
29 735.1 (relating to initiative of electors seeking  
30 consolidation or merger with new home rule charter).

1           (2) Residents of the district may be nominated to and  
2 serve on a commission formed to study merger or consolidation  
3 of the district with one or more municipalities.

4           (3) Upon favorable action by the electorate on  
5 consolidation or merger, the district advisory committee  
6 shall enter into a merger or consolidation agreement with the  
7 governing bodies of other municipalities in accordance with  
8 53 Pa.C.S. § 737 (relating to consolidation or merger  
9 agreement) and the committee shall provide for the transition  
10 of the district into a consolidated or merged municipality  
11 with the same powers and duties as provided by law to  
12 governing bodies of municipalities.

13           (4) The district advisory committee and the county shall  
14 cooperate to expend funds for the purpose of merger,  
15 consolidation or reestablishment of the municipal corporation  
16 as provided in subsection (b).

17           (b) Reestablishment of or incorporation as a municipal  
18 corporation.--The electors of an unincorporated district may  
19 reestablish the territory of the district as a municipal  
20 corporation or incorporate the territory of the unincorporated  
21 district in accordance with the laws of this Commonwealth  
22 governing the establishment of the intended municipal  
23 corporation.

24           (c) Grants permitted.--The Department of Community and  
25 Economic Development or the county may issue a loan or grant  
26 authorized under applicable laws to a merged, consolidated or  
27 subsequently incorporated municipality, including the territory  
28 of the district, to provide transitional assistance.

29           (d) Assets.--All assets of the district shall be conveyed to  
30 a merged, consolidated or subsequently reestablished or

1 incorporated municipality, including the territory of the  
2 district.

3 (e) Assumption of debt.--All debt obligations for which the  
4 district is the promisor shall be assumed by a merged,  
5 consolidated or subsequently reestablished or incorporated  
6 municipality, including the territory of the district.

7 Section 3115-D. Severability.

8 The provisions of this article are severable. If any  
9 provision of this article or its application to any person or  
10 circumstances is held to be invalid, the invalidity shall not  
11 affect other provisions or applications of this article that can  
12 be given effect without the invalid provision or application.

13 Section 3116-D. Effect of dissolution.

14 The dissolution of a municipal corporation and the creation  
15 of an unincorporated district shall not affect the municipal  
16 corporation's classification as a municipality for purposes of  
17 other laws.

18 Section 2. The provisions of 53 Pa.C.S. Ch. 29 are repealed  
19 to the extent that they are inconsistent with the provisions of  
20 this act.

21 Section 3. This act shall take effect immediately.