

No. 330

AN ACT

To amend sections one thousand six and one thousand thirty-five as amended, and section one thousand sixty-two of the act, approved the fourth day of May, one thousand nine hundred twenty-seven (Pamphlet Laws, five hundred nineteen), entitled "An act concerning boroughs, and revising, amending, and consolidating the law relating to boroughs," providing for and regulating the method of making appropriations, expenditures, employments, contracts, and purchases by boroughs; relating to the preparation of the annual budget on forms to be prepared by representatives of the State Association of Boroughs and Department of Internal Affairs; providing for public notice of the preparation of such budget, relating to the filing of such budget with the Department of Internal Affairs; regulating the preparation of the auditor's statement; requiring the controller or secretary to file an annual report with such department; conferring jurisdiction of certain cases upon aldermen, magistrates, and justices of the peace; and providing penalties.

Boroughs.

Section 1006, act of May 4, 1927 (P. L. 519), as amended by section 4, act of July 18, 1935 (P. L. 1290), further amended.

Section 1. Be it enacted, &c., That section one thousand six of the act, approved the fourth day of May, one thousand nine hundred twenty-seven (Pamphlet Laws, five hundred nineteen), entitled "An act concerning boroughs, and revising, amending, and consolidating the law relating to boroughs," which was last amended by section four of the act, approved the eighteenth day of July, one thousand nine hundred thirty-five (Pamphlet Laws, twelve hundred ninety), is hereby further amended to read as follows:

Section 1006. Duties of Council.—It shall be the duty of the council, a majority of whom shall be a quorum:

I. To meet statedly at least once a month.

II. To make and preserve full records of their proceedings.

III. To enact, revise, repeal, and amend such laws, rules, regulations, and ordinances, not inconsistent with the laws of the Commonwealth, as it shall deem beneficial to the borough and to provide for the enforcement of the same.

IV. Except where otherwise in this act provided, to publish, once in one newspaper printed in the county, every enactment, regulation, ordinance, or other general law at least ten days before the same shall take effect.

V. To cause notices to be served, as required by law or ordinance, in a manner council may by motion or other action decide.

VI. To keep open for public inspection, in a place provided by the borough, any plans of highways that may be made.

VII. To appoint and remove a treasurer and secretary. Council in its discretion may appoint a solicitor, a street commissioner, and such other officers as it shall deem necessary. The treasurer and secretary shall not be members of council.

VIII. To fix the compensation of the treasurer, secretary, street commissioner, high constable, and such other officers and employes as they may appoint, to be paid from the borough treasury by orders drawn thereon.

IX. To fix the amount of security to be given by the treasurer, collector of borough taxes, the high constable, and of such other officers and employes as it may designate.

X. To direct annually the publication of the accounts of the treasurer.

XI. To mitigate or remit fines and forfeitures in reasonable cases.

XII. Whenever the borough funds have been exhausted, the borough may, by resolution, make temporary loans on the credit of the borough, in anticipation of taxes to be collected, and to issue a certificate of indebtedness therefor. All such loans shall be repaid from the first moneys available from taxes in anticipation of which the same were made.

XIII. To appoint, and revoke appointments, of one or more depositories for borough funds, and to fix and approve security to be furnished by any such depository.

The borough may accept from a depository as security for its deposits bonds with corporate or individual sureties, to be approved by council, or the depository may deposit as collateral security with the borough, or with any bank or trust company within the Commonwealth which may be agreed upon, United States, municipal, or county bonds, of a market value of one hundred and twenty (120%) per centum of the amount of the deposit to be secured. Such deposit of collateral shall be under proper agreement, and accompanied by proper assignment or power of attorney for the transfer of the bonds.

When funds of a borough are deposited in a designated depository, the deposit shall be in the corporate name of the borough and withdrawn therefrom as provided in section 1105.

XIV. The borough treasurer shall deposit all such funds in the depository or depositories designated by the borough, and, when so deposited, the borough treasurer shall be released and discharged from further liability.

XV. To secure such indemnity bonds or policies of insurance as they may deem necessary to protect the borough from loss by reason of fire, windstorm, burglary, larceny, dishonesty of employes, insolvency of depository, or otherwise, and to pay for such protection the usual or customary costs.

XVI. To make temporary investment of borough funds in bonds of the Federal Government or the Commonwealth of Pennsylvania when, in its judgment, the

interests of the borough will be enhanced thereby, and to dispose of any such securities when the funds may be needed by the borough. Such purchase or sale to be made by the president and secretary of council on a resolution adopted by the council.

XVII. To employ certified public accountants by a two-thirds vote of the entire number of councilmen elected.

[XVII] XVIII. To adopt an annual budget. [for this purpose, the borough council may adopt forms submitted by the Department of Internal Affairs and approved by a Committee of the State Association of Boroughs, if such forms are found satisfactory by council and adapted to the financial program it is considering.] *On or before the fifteenth day of January, a proposed budget or annual estimate of revenues and expenditures shall be prepared in a manner designated by the council. The budget shall be prepared on a uniform form prepared and furnished as hereafter provided.*

Upon the preparation of the proposed budget, the council shall give public notice of the fact that the proposed budget will be available for public inspection at the office of the borough secretary, or such other place as may be designated in a public notice. After the expiration of fifteen (15) days following the giving of such public notice, council shall, after making such revisions therein as appear advisable, adopt the budget, the tax ordinance, and the necessary appropriation measures required to put the budget into effect. The total amount appropriated shall not exceed the receipts of the borough estimated as available for the fiscal year.

In all boroughs the council shall, within fifteen (15) days after the adoption of the budget, file a copy of the same with the Department of Internal Affairs.

The council shall have power to authorize, by resolution, the transfer of any unencumbered balance of an appropriation, or any portion thereof, from one purpose to another within the same fund, but transfers to cover lawful deficits and surpluses may be made between the general borough fund and special funds. Such action shall not be taken during the first three months of the fiscal year.

The council may, during any fiscal year, adopt, by resolution, supplementary appropriations, but any resolution authorizing such supplementary appropriations shall provide for unencumbered receipts sufficient to cover such appropriations.

Payments shall not be authorized or made from the treasury except upon appropriation in the budget or supplementary appropriation resolutions. The council or other officers shall not hire any work to be done, purchase any material, make any contract, or issue

any order for the payment of moneys by any agent of the borough, which will cause the sums appropriated to specific purposes to be exceeded.

Section 2. That section one thousand thirty-five of said act, which was last amended by section 4 of the act, approved the eighteenth day of July, one thousand nine hundred thirty-five (Pamphlet Laws, one thousand two hundred ninety), is hereby further amended to read as follows:

Section 1035, as amended by section 4, act of July 18, 1935 (P. L. 1290), further amended.

Section 1035. Auditors to Meet Yearly, and Prepare a Financial Statement; *Financial Report to Be Furnished to Department of Internal Affairs.*—The auditors of the borough shall meet on the third Tuesday of January of each year, and shall audit, adjust, and settle the accounts of the tax collectors and all officers of the borough, and of any person, committee, and commission receiving or expending municipal funds; and shall prepare a statement thereof, which shall contain an audit of the accounts of the last fiscal year, and shall also show a complete statement of the financial condition of the borough, giving in detail the actual indebtedness, the amount of the funded debt, the amount of the floating debt thereof, the valuation of taxable property therein, the assets of the borough with the character and value thereof, and the date of maturity of the respective forms of funded debt thereof. *Such statement shall be prepared within sixty (60) days after the close of the fiscal year.* Such statement shall be published by council as ordinances are published, or by publication of a summary of such statement one time in one newspaper of general circulation, [which] *and shall be in lieu of all other statements relating to indebtedness required to be published by existing law.* The amount of any balance or shortage, or by any expenditure of a kind, or made in a manner, prohibited or not authorized by statute, which causes a financial loss to the borough, shall be a surcharge against any officer against whom such balance or shortage shall appear, or who, by vote, act, or neglect, has permitted or approved such expenditure.

After such statement has been prepared, it shall be the duty of the secretary of the borough to furnish to the Department of Internal Affairs a report of such statement, transcribed on a uniform form prepared and furnished as hereafter provided. Such report shall be signed by the auditors and the secretary, and shall be filed with the department within ninety (90) days after the close of the fiscal year. Any secretary refusing or wilfully neglecting to file such report shall, upon conviction in a summary proceeding brought at the instance of the Department of Internal Affairs, be sentenced to pay a fine of five dollars for each day's delay beyond April first, and costs. If the failure to file such report

within the period specified is due to the failure of the auditors to prepare the statement upon which said report is to be based, said fine shall be imposed upon the auditors, and not upon the secretary. All fines recovered shall be for the use of the Commonwealth.

The uniform forms for the annual budget, and for the annual report to the Department of Internal Affairs to be used as herein provided, shall be prepared by a committee consisting of four representatives from the Pennsylvania State Association of Boroughs, and the secretary of the Department of Internal Affairs, or his agent.

Such representatives shall be appointed by the president of the organization within sixty (60) days after the effective date of this act. Such representatives shall be chosen from among finance officers or other officers of boroughs who have knowledge of their fiscal procedures. As far as possible, they shall be chosen to represent boroughs in the various population groups. The president of the organization shall supply to the Department of Internal Affairs the names and addresses of such representatives immediately upon their appointment.

Such representatives shall serve without compensation, but shall be reimbursed by the Commonwealth for all necessary expenses incurred in attending meetings of the committee. The committee shall meet at the call of the Secretary of Internal Affairs, or his agent, who shall serve as chairman of the committee.

In preparing the uniform forms for both budgets and annual reports, the committee shall give careful consideration to the fiscal needs and procedures of boroughs of the various population groups, producing separate forms if necessary, to the end that such forms shall not be inconsistent with the general administrative practices of boroughs of various types and sizes.

It shall be the duty of the Secretary of Internal Affairs, or his agent, to see to it that the forms required by this act are prepared in cooperation with such committee. In the event that the committee should for any reason fail to furnish such cooperation, the Secretary of Internal Affairs, or his agent, shall prepare the forms. After their preparation, he shall issue such forms and distribute them annually, as needed, to the proper officers of each borough.

Section 3. That section one thousand sixty-two of said act is hereby amended to read as follows:

Section 1062. Controller's Reports; *Report of Financial Condition to Be Made to Department of Internal Affairs.*—The borough controller shall, as often as he may deem expedient or the council shall direct, suggest plans to the council for the management and improvement of the borough finances; and he shall make a report, verified by oath or affirmation, to the council at

Section 1062,
amended.

the first stated meeting in January in each year, of the public accounts of the borough and of the trusts in its care, exhibiting all the expenditures thereof, respectively, the sources from which the revenue and funds are derived and the manner in which the same have been disbursed. Each account shall be accompanied by a detailed statement of the several appropriations made by councils, the amount drawn on each appropriation, and the balance standing to the debit or credit of such appropriation. The report shall be published, at the expense of the borough, once a week for two weeks in a newspaper circulating generally in the borough.

The controller shall also annually, within ninety (90) days after the close of the fiscal year, make a report to the Department of Internal Affairs of the financial condition of the borough, in manner and form required to be made by borough secretaries, as hereinbefore provided, and subject to the same penalties for refusing or neglecting to file such report.

Section 4. The provisions of this act shall become effective immediately upon its approval by the Governor. They shall be first put into operation in connection with the preparation of budgets for the fiscal year nineteen hundred thirty-eight, and the preparation of annual reports of financial conditions for the fiscal year nineteen hundred thirty-seven.

When effective.

APPROVED—The 4th day of June, A. D. 1937.

GEORGE H. EARLE

No. 331

AN ACT

To amend the act, approved the twenty-eighth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, nine hundred three), entitled "A supplement to an act, approved the fourteenth day of May, one thousand nine hundred and fifteen (Pamphlet Laws, three hundred and twelve), entitled 'An act providing a system for government of boroughs, and revising, amending, and consolidating the law relating to boroughs'; so as to provide a system of government where a borough now has annexed or hereafter shall annex land in an adjoining county, including assessment of property, levying and collection of taxes, making municipal improvements, and filing and collecting of liens for the same; the jurisdiction of courts for the enforcement of borough ordinances and State laws, and primary, general, municipal, and special elections; and repealing inconsistent laws," extending the provisions of this act to boroughs situated in different counties which now have or shall hereafter consolidate.

Section 1. Be it enacted, &c., That sections one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, sixteen and seventeen of the act, approved the twenty-eighth day of June, one thousand nine hundred

Sections 1, 2, 3,
4, 5, 6, 7, 8, 9,
10, 11, 12, 16
and 17, act of
June 28, 1923
(P. L. 903),
amended.