

No. 85

AN ACT

HB 1022

Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An act providing for the incorporation as bodies corporate and politic of 'Authorities' for municipalities, counties and townships; prescribing the rights, powers and duties of such Authorities heretofore or hereafter incorporated; authorizing such Authorities to acquire, construct, improve, maintain and operate projects, and to borrow money and issue bonds therefor; providing for the payment of such bonds, and prescribing the rights of the holders thereof; conferring the right of eminent domain on such Authorities; authorizing such Authorities to enter into contracts with and to accept grants from the Federal Government or any agency thereof; and conferring exclusive jurisdiction on certain courts over rates," further defining "project" and further providing for general purposes, and providing for the purchase of liability insurance for errors and omissions.

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

Section 1. Clause (j) of section 2, act of May 2, 1945 (P.L.382, No.164), known as the "Municipality Authorities Act of 1945," amended June 12, 1947 (P.L.571, No.249), is amended to read:

Section 2. Definitions.—The following terms whenever used or referred to in this act shall have the following meanings, except in those instances where the context clearly indicates otherwise:

* * *

(j) The term "project" shall mean *equipment to be leased by an Authority to the municipality or municipalities that organized it* or any structure, facility or undertaking which an Authority is authorized to acquire, construct, improve, maintain or operate under the provisions of this act.

Section 2. Subsection A of section 4 of the act, amended June 1, 1972 (P.L.330, No.92), is amended to read:

Section 4. Purposes and Powers; General.—A. Every Authority incorporated under this act shall be a body corporate and politic, and shall be for the purpose of acquiring, holding, constructing, improving, maintaining and operating, owning, leasing, either in the capacity of lessor or lessee, projects of the following kind and character, *equipment to be leased by an Authority to the municipality or municipalities that organized it*, buildings to be devoted wholly or partially for public uses, including public school buildings, and facilities for the conduct of judicial proceedings, and for revenue-producing purposes; transportation, marketing, shopping, terminals, bridges, tunnels, flood control projects, highways, parkways, traffic distribution centers, parking spaces, airports, and all facilities necessary or incident thereto,

parcs, recreation grounds and facilities, sewers, sewer systems or parts thereof, sewage treatment works, including works for treating and disposing of industrial waste, facilities and equipment for the collection, removal or disposal of ashes, garbage, rubbish and other refuse materials by incineration, land fill or other methods, steam heating plants and distribution systems, incinerator plants, waterworks, water supply works, water distribution systems, swimming pools, playgrounds, lakes, low head dams, hospitals, health centers, motor buses for public use, when such motor buses are to be used within any municipality, subways and industrial development projects, including but not limited to projects to retain or develop existing industries and the development of new industries: Provided, That an Authority created by a school district or school districts shall have the power only to acquire, hold, construct, improve, maintain, operate and lease public school buildings and other school projects acquired, constructed or improved for public school purposes. The purpose and intent of this act being to benefit the people of the Commonwealth by, among other things, increasing their commerce, health, safety and prosperity, and not to unnecessarily burden or interfere with existing business by the establishment of competitive enterprises, none of the powers granted by this act shall be exercised in the construction, improvement, maintenance, extension or operation of any project or projects which in whole or in part shall duplicate or compete with existing enterprises serving substantially the same purposes. This limitation shall not apply to the exercise of the powers granted hereunder for facilities and equipment for the collection, removal or disposal of ashes, garbage, rubbish and other refuse materials by incineration, land fill or other methods, if each municipality organizing or intending to use the facilities of an Authority having such powers shall declare by resolution or ordinance that it is desirable for the health and safety of the people of such municipality that it use the facilities of the Authority, and if any contract between such municipality and any other person, firm or corporation for the collection, removal or disposal of ashes, garbage, rubbish and other refuse material has by its terms expired or is terminable at the option of the municipality or will expire within six months from the date such ordinance becomes effective. This limitation shall not apply to the exercise of the powers granted hereunder for industrial development projects if the Authority does not develop industrial projects which will compete with existing industries. This limitation shall also not apply to hospital projects to be leased to public hospitals or nonprofit hospital corporations serving the public if each municipality organizing an Authority for such a project shall declare by resolution or ordinance that it is desirable for the health and safety of the people in the area served by such hospital to have such facilities provided by an Authority. The municipality or municipalities

organizing such an Authority may, in the resolution or ordinance signifying their intention so to do, or from time to time by subsequent resolution or ordinance, specify the project or projects to be undertaken by the said Authority, and no other projects shall be undertaken by the said Authority than those so specified. If the municipal authorities organizing an Authority fail to specify the project or projects to be undertaken, then the Authority shall be deemed to have all the powers granted by this act.

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Section 3. Clause (q) of subsection B of section 4, of the act, amended June 17, 1974 (P.L.347, No.112), is amended to read:

Section 4. Purposes and Powers; General.—* * *

B. Every Authority is hereby granted, and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including but without limiting the generality of the foregoing, the following rights and powers:

* * *

(q) To make contracts of insurance with any insurance company, association or exchange authorized to transact business in the Commonwealth of Pennsylvania, insuring its employes and appointed officers and officials under an individual policy or policies of insurance covering life, accidental death and dismemberment, and disability income or under a policy or policies of group insurance covering life, accidental death and dismemberment, and disability income provided that statutory requirements for such group insurance, including but not limited to requisite number of eligible employes and/or appointed officers and officials, are met as provided for in section 621.2 of the act of May 17, 1921 (P.L.682, No.284), known as "The Insurance Company Law of 1921," and sections 1, 2, 6, 7 and 9 of the act of May 11, 1949 (P.L.1210, No.367).

To make contracts with any insurance company, association or exchange or any hospital plan corporation or professional health service corporation authorized to transact business in the Commonwealth of Pennsylvania, insuring or covering its employes and/or their dependents (but not its appointed officers and officials nor their dependents) for hospital and/or medical benefits; and to contract for its employes (but not its appointed officers and officials) with any insurance company, association or exchange authorized to transact business in the Commonwealth of Pennsylvania granting annuities or to establish, maintain, operate and administer its own pension plan covering its employes (but not its appointed officers and officials).

To purchase insurance on board members, officers and employes for liability arising from errors and omissions in the performance of their duties and in the course of their appointment and employment, provided that liability of appointed officials for surcharge in accordance with law shall not be affected thereby.

For such purposes, to agree to pay part or all of the cost thereof including the premiums or charges for carrying such contracts, and to appropriate out of its treasury any money necessary to pay such costs, premiums or charges, or portions thereof. The proper officers of the authority having authority to enter into such contracts are hereby authorized, enabled and permitted to deduct from the officers' or employes' pay, salary or compensation such part of the premium or cost as is payable by the officer or employe and as may be so authorized by the officer or employe in writing.

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Section 4. This act shall take effect immediately.

APPROVED—The 1st day of August, A. D. 1975.

MILTON J. SHAPP