

No. 1986-34

AN ACT

HB 1146

Amending the act of July 12, 1972 (P.L.781, No.185), entitled, as amended, "An act providing debt limits for local government units, including municipalities and school districts; providing the methods of incurring, evidencing, securing and collecting debt; defining the powers and duties of the Department of Community Affairs and certain other public officers and agencies with respect thereto; exercising the inherent legislative authority of the General Assembly by providing additional over-all limitations on the incurring of lease rental and other obligations for the acquisition of capital assets to be repaid from the general tax revenues of such local government units; imposing penalties for filing false or untrue statements or refusing to give information with respect to proceedings for the incurring of debt; and conferring jurisdiction on the Commonwealth Court with respect to certain proceedings relating to the incurring of debt," further providing for the incurring of debt for certain assessment revisions.

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

Section 1. Sections 102(c)(12) and 602(a) of the act of July 12, 1972 (P.L.781, No.185), known as the Local Government Unit Debt Act, reenacted and amended April 28, 1978 (P.L.124, No.52), are amended to read:

Section 102. Definitions.—* * *

(c) As used in this act unless the context clearly otherwise requires:

* * *

(12) "Project" means (i) any item of construction, acquisition, extraordinary maintenance or repair which has been undertaken by a local government unit, (ii) any preliminary studies, surveying, planning, testing or design work for any such, (iii) any lands or rights in land to be acquired, (iv) any furnishings, machinery, apparatus or equipment normally classified as capital items, but such items must have a useful life of five years or more if financed separately and not as a part of a construction or acquisition project, (v) the local government unit's share of the cost of a project undertaken jointly with one or more other local government units or the Commonwealth or one of its agencies, (vi) funding or refunding of debt incurred for any or all of the foregoing purposes, [or] (vii) *county-wide revision of assessment of real property, or (viii)* any combination of any or all of the foregoing, as any or all of the above may be designated as a project by the governing body for the financing of which it desires to incur debt. The term shall also include any deficit to be funded by bonds or notes as provided herein, or the creation of a revolving fund for specific improvements. Where a local government unit has adopted a capital budget, the term project shall mean any unfunded portion of the capital budget selected by ordinance for current funding.

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Section 602. Limitations on Stated Maturity Dates.—(a) No bonds or notes shall be issued with a stated maturity date exceeding the sooner to occur of:

(1) Forty years from the date of the series of any bonds or notes issued to evidence debt for the purpose of financing the cost of actually constructing, acquiring or improving a project or a separately financed portion of a project; or

(2) (i) The useful life of the project being financed as stated in the ordinance of the local government unit enacted in connection with the series of bonds or notes to be issued for such project, which statement in such ordinance shall be conclusive for all purposes. If projects have been combined for financing pursuant to section 401 and such projects have different useful lives, it shall be sufficient for this section if an aggregate principal amount of bonds or notes equal to the separate cost of each project having a shorter useful life shall have been stated to mature prior to the end of such useful life, and the balance prior to the end of the longest useful life. For the purpose of this section, the inclusion of furnishings, machinery, apparatus or equipment for a construction or acquisition project shall not be deemed to be the combining of projects but the useful life of such project shall be that of the building, structure or improvement constructed or acquired.

(ii) Where capital budgeting is practiced, and bonds are issued to fund the current portion of a capital budget involving projects of varying useful lives a uniform term of thirty years may be used.

(iii) *Where the project being financed is a county-wide revision of assessment of real property, the useful life shall be a term of no more than ten years.*

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

APPROVED—The 30th day of April, A. D. 1986.

DICK THORNBURGH