
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1203 Session of
2019

INTRODUCED BY RYAN, BERNSTINE, T. DAVIS, GLEIM, GROVE, JAMES,
KINSEY, MILLARD AND GILLEN, APRIL 15, 2019

SENATOR MARTIN, LOCAL GOVERNMENT, IN SENATE, AS AMENDED,
OCTOBER 29, 2019

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for money of authority.

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

6 Section 1. Section 5612(b) of the Title 53 of the
7 Pennsylvania Consolidated Statutes is amended to read:

8 § 5612. Money of authority.

9 * * *

10 (b) Report.--A required annual report shall be published in
11 accordance with the following:

12 (1) Every authority whose fiscal year ends December 31
13 shall file on or before July 1 an annual report of its fiscal
14 affairs covering the preceding calendar year with the
15 Department of Community and Economic Development and with the
16 municipality creating the authority on forms prepared and
17 distributed by the Department of Community and Economic

1 Development. Authorities whose fiscal year does not end on
2 December 31 shall file the report within 90 days after the
3 end of their fiscal year.

4 (2) Every authority shall have its books, accounts and
5 records audited annually by a certified public accountant,
6 and a copy of his audit report shall be filed in the same
7 manner and within the same time period as the annual report.

8 The audit shall comply with the following standards, IF <--
9 APPLICABLE:

10 (i) The generally accepted government auditing
11 standards, including the standards published by the
12 General GOVERNMENT Accountability Office. <--

13 (ii) The Single Audit Act of 1984 (31 U.S.C. § 7501
14 et seq.).

15 (iii) 2 C.F.R. CFR Pt. 200 (relating to the Uniform <--
16 administrative requirements, cost principles and audit
17 requirements for Federal awards).

18 (iv) Any other Federal or State requirements for an
19 audit relating to the finances of an authority.

20 (3) A concise financial statement shall be published
21 annually at least once in a newspaper of general circulation
22 in the municipality where the principal office of the
23 authority is located. If the publication is not made by the
24 authority, the municipality shall publish such statement at
25 the expense of the authority.

26 (4) If the authority fails to make such an audit OR IF <--
27 THE MUNICIPALITY DETERMINES THAT THERE IS A NEED FOR A
28 REVIEW, then the controller, auditor or accountant designated
29 by the municipality is hereby authorized and empowered from
30 time to time to examine at the expense of the authority the

1 accounts and books of it, including its receipts, BILLING <--
2 SYSTEMS, disbursements, ~~contracts~~ TRANSPARENCY OF CONTRACTS <--
3 AND HOW THE CONTRACTS ARE AWARDED, leases, sinking funds,
4 investments, COMPLIANCE WITH RELEVANT FEDERAL AND STATE <--
5 STATUTES, CONFLICTS OF INTEREST BY THE AUTHORITY AND ITS
6 BOARD MEMBERS, STAFF AND CONTRACTORS and any other matters
7 relating to its finances, operation and affairs. ~~In the~~ <--
8 ~~course of performing a financial audit under this subsection~~
9 ~~the municipality may request the Auditor General to perform~~
10 ~~the audit.~~ IF THE REVIEW BY THE MUNICIPALITY IS CONDUCTED <--
11 WITHIN A YEAR OF AN AUTHORITY'S ANNUAL AUDIT REQUIRED UNDER
12 PARAGRAPH (2), THE REVIEW SHALL BE DONE AT THE EXPENSE OF THE
13 MUNICIPALITY AND THE AUTHORITY SHALL BE EXEMPT THE FOLLOWING
14 FISCAL YEAR FROM CONDUCTING AN AUDIT. IF THE REVIEW BY THE
15 MUNICIPALITY IS BEING DONE DUE TO THE FAILURE OF THE
16 AUTHORITY TO MAKE AN ANNUAL AUDIT, THE REVIEW SHALL BE AT THE
17 EXPENSE OF THE AUTHORITY.

18 * * *

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