

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 656 Session of 2017

INTRODUCED BY FONTANA, McILHINNEY, RESCHENTHALER, YUDICHAK, COSTA, HUGHES, WARD, VULAKOVICH AND BROWNE, MAY 15, 2017

SENATOR WAGNER, LOCAL GOVERNMENT, AS AMENDED, JUNE 19, 2017

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for definitions and for purposes and powers.

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

6 Section 1. Section 5602 of Title 53 of the Pennsylvania
7 Consolidated Statutes is amended by adding a definition-- <--
8 DEFINITIONS to read: <--

9 § 5602. Definitions.

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

13 * * *

14 "Private lateral water line." A private water line which <--
15 utilizes lead or lead based materials, runs from a structure or
16 dwelling to the property line or curb stop of the structure or
17 dwelling and is connected to a public water supply system.

18 "PRIVATE SEWER LATERAL." A LINE ON A PROPERTY UPON WHICH A <--

1 BUILDING OR STRUCTURE IS LOCATED THAT CONNECTS TO A PUBLIC SEWER
2 SYSTEM.

3 "PRIVATE WATER LATERAL." A LINE ON A PROPERTY UPON WHICH A
4 BUILDING OR STRUCTURE IS LOCATED THAT CONNECTS TO A PUBLIC WATER
5 SYSTEM.

6 * * *

7 Section 2. Section 5607(a)(10), (b)(2) and (d)(30) <--
8 introductory paragraph are amended and subsection (d) is amended
9 by adding paragraphs 5607(A)(5), (A)(10) AND (10) AND (B)(2) ARE <--
10 AMENDED to read:

11 § 5607. Purposes and powers.

12 (a) Scope of projects permitted.--Every authority
13 incorporated under this chapter shall be a body corporate and
14 politic and shall be for the purposes of financing working
15 capital; acquiring, holding, constructing, financing, improving,
16 maintaining and operating, owning or leasing, either in the
17 capacity of lessor or lessee, projects of the following kind and
18 character and providing financing for insurance reserves:

19 * * *

20 (5) SEWERS, SEWER SYSTEMS OR PARTS THEREOF THAT MAY <--
21 INCLUDE PRIVATE SEWER LATERALS.

22 * * *

23 (10) Waterworks, water supply works[,] and water
24 distribution systems that may include private lateral water <--
25 lines LATERALS. <--

26 * * *

27 (b) Limitations.--This section is subject to the following
28 limitations:

29 * * *

30 (2) The purpose and intent of this chapter being to

1 benefit the people of the Commonwealth by, among other
2 things, increasing their commerce, health, safety and
3 prosperity and not to unnecessarily burden or interfere with
4 existing business by the establishment of competitive
5 enterprises, none of the powers granted by this chapter shall
6 be exercised in the construction, financing, improvement,
7 maintenance, extension or operation of any project or
8 projects or providing financing for insurance reserves which
9 in whole or in part shall duplicate or compete with existing
10 enterprises serving substantially the same purposes. This
11 limitation shall not apply to the exercise of the powers
12 granted under this section REGARDING ANY OF THE FOLLOWING: <--

13 (i) [for] FOR facilities and equipment for the <--
14 collection, removal or disposal of ashes, garbage,
15 rubbish and other refuse materials by incineration,
16 landfill or other methods if each municipality organizing
17 or intending to use the facilities of an authority having
18 such powers shall declare by resolution or ordinance that
19 it is desirable for the health and safety of the people
20 of such municipality that it use the facilities of the
21 authority and state if any contract between such
22 municipality and any other person, firm or corporation
23 for the collection, removal or disposal of ashes,
24 garbage, rubbish and other refuse material has by its
25 terms expired or is terminable at the option of the
26 municipality or will expire within six months from the
27 date such ordinance becomes effective[;]_. <--

28 (ii) [for] FOR industrial development projects if <--
29 the authority does not develop industrial projects which
30 will compete with existing industries[;]_. <--

1 (iii) [for] FOR authorities created for the purpose <--
2 of providing business improvements and administrative
3 services if each municipality organizing an authority for
4 such a project shall declare by resolution or ordinance
5 that it is desirable for the entire local government unit
6 to improve the business district[;]_. <--

7 (iv) [to] TO hospital projects or health centers to <--
8 be leased to or financed with loans to public hospitals,
9 nonprofit corporation health centers or nonprofit
10 hospital corporations serving the public or to school
11 building projects and facilities to be leased to or
12 financed with loans to private, nonprofit, nonsectarian
13 secondary schools, colleges and universities, State-
14 related universities and community colleges or to
15 facilities, as limited under the provisions of this
16 section, to produce steam or to generate electric power
17 if each municipality organizing an authority for such a
18 project shall declare by resolution or ordinance that it
19 is desirable for the health, safety and welfare of the
20 people in the area served by such facilities to have such
21 facilities provided by or financed through an
22 authority[;]_. <--

23 (v) [to] TO provide financing for insurance reserves <--
24 if each municipality or authority intending to use any
25 proceeds thereof shall declare by resolution or ordinance
26 that it is desirable for the health, safety and welfare
27 of the people in such local government unit or served by
28 such authority[; for]_. <--

29 (vi) [to] TO projects for financing working <--
30 capital~~+~~.~~+~~ <--

1 ~~(vii) for the expenditure of public money for the~~
2 ~~maintenance and repair of private lateral sewer lines or~~
3 ~~private lateral water lines, including the utilization of~~
4 ~~authority employees for the maintenance and repair of~~
5 ~~private lateral sewer lines, whether within or outside~~
6 ~~the service area; or~~

7 ~~(viii) for the construction and maintenance of water~~
8 ~~or sanitary sewer pump stations, public water~~
9 ~~distribution systems, public sewer collection systems or~~
10 ~~similar general construction services, whether within or~~
11 ~~outside the service area.~~

12 (VII) TO PERFORM THE REPLACEMENT OR REMEDIATION OF <--
13 PRIVATE WATER LATERALS AND PRIVATE SEWER LATERALS FOR
14 CUSTOMERS OF THE AUTHORITY IF THE AUTHORITY DETERMINES
15 THAT THE REPLACEMENT OR REMEDIATION WILL BENEFIT THE
16 PUBLIC HEALTH, PUBLIC WATER SUPPLY SYSTEM OR PUBLIC SEWER
17 SYSTEM. NO AUTHORITY THAT HAS PERFORMED A REPLACEMENT OR
18 REMEDICATION UNDER THIS SUBPARAGRAPH SHALL BE DEEMED TO BE
19 THE OWNER OF THE PRIVATE WATER OR SEWER LATERALS OR
20 OBLIGATED TO PERFORM ANY OTHER DUTIES UNLESS THE
21 AUTHORITY MAKES AN AFFIRMATIVE DETERMINATION TO ACCEPT
22 ANY DUTIES.

23 (VIII) TO USE PUBLIC FUNDS AND UTILIZE AUTHORITY
24 EMPLOYEES FOR THE REPLACEMENT OR REMEDIATION OF PRIVATE
25 WATER AND SEWER LATERALS IF THE AUTHORITY DETERMINES THAT
26 THE REPLACEMENT OR REMEDIATION WILL BENEFIT THE PUBLIC
27 HEALTH, THE PUBLIC WATER SUPPLY SYSTEM OR PUBLIC SEWER
28 SYSTEM. BEFORE USING PUBLIC FUNDS UNDER THIS
29 SUBPARAGRAPH, THE AUTHORITY SHALL CONSIDER THE
30 AVAILABILITY OF PUBLIC FUNDS, EQUIPMENT, PERSONNEL AND

1 FACILITIES AND THE COMPETING DEMANDS OF THE AUTHORITY FOR
2 PUBLIC FUNDS, EQUIPMENT, PERSONNEL AND FACILITIES.

3 (IX) FOR THE CONSTRUCTION AND MAINTENANCE OF WATER
4 OR SANITARY SEWER PUMP STATIONS, PUBLIC WATER
5 DISTRIBUTION SYSTEMS, PUBLIC SEWER COLLECTION SYSTEMS OR
6 SIMILAR GENERAL CONSTRUCTION SERVICES WITHIN THE SERVICE
7 AREA OF THE AUTHORITY, OR BY CONTRACT OR AGREEMENT WITH
8 THE AUTHORITY.

9 * * *

10 ~~(d) Powers. Every authority may exercise all powers~~ <--
11 ~~necessary or convenient for the carrying out of the purposes set~~
12 ~~forth in this section, including, but without limiting the~~
13 ~~generality of the foregoing, the following rights and powers:~~

14 * * *

15 ~~(30) Where a sewer or water system of an authority is to~~
16 ~~be extended or where a private lateral water line is to be~~
17 ~~replaced or remediated at the expense of the owner of~~
18 ~~properties or where the authority otherwise would construct~~
19 ~~customer facilities referred to in paragraph (24), other than~~
20 ~~water meter installation, a property owner shall have the~~
21 ~~right to construct the extension or install the customer~~
22 ~~facilities himself or through a subcontractor approved by the~~
23 ~~authority, which approval shall not be unreasonably withheld.~~
24 ~~The authority shall have the right, at its option, to perform~~
25 ~~the construction itself only if the authority provides the~~
26 ~~extension, replacement, remediation or customer facilities at~~
27 ~~a lower cost and within the same timetable specified or~~
28 ~~proposed by the property owner or his approved subcontractor.~~
29 ~~Construction by the property owner shall be in accordance~~
30 ~~with an agreement for the extension of the authority's system~~

1 ~~and plans and specifications approved by the authority and~~
2 ~~shall be undertaken only pursuant to the existing~~
3 ~~regulations, requirements, rules and standards of the~~
4 ~~authority applicable to such construction. Construction shall~~
5 ~~be subject to inspection by an inspector authorized to~~
6 ~~approve similar construction and employed by the authority~~
7 ~~during construction. When a main is to be extended at the~~
8 ~~expense of the owner of properties, the property owner may be~~
9 ~~required to deposit with the authority, in advance of~~
10 ~~construction, the authority's estimated reasonable and~~
11 ~~necessary cost of reviewing plans, construction inspections,~~
12 ~~administrative, legal and engineering services. The authority~~
13 ~~may require that construction shall not commence until the~~
14 ~~property owner has posted appropriate financial security in~~
15 ~~accordance with paragraph (23). The authority may require the~~
16 ~~property owner to reimburse it for reasonable and necessary~~
17 ~~expenses it incurred as a result of the extension. If an~~
18 ~~independent firm is employed for engineering review of the~~
19 ~~plans and the inspection of improvements, reimbursement for~~
20 ~~its services shall be reasonable and in accordance with the~~
21 ~~ordinary and customary fees charged by the independent firm~~
22 ~~for work performed for similar services in the community. The~~
23 ~~fees shall not exceed the rate or cost charged by the~~
24 ~~independent firm to the authority when fees are not~~
25 ~~reimbursed or otherwise imposed on applicants. Upon~~
26 ~~completion of construction, the property owner shall dedicate~~
27 ~~and the authority shall accept the extension of the~~
28 ~~authority's system if dedication of facilities and the~~
29 ~~installation complies with the plans, specifications,~~
30 ~~regulations of the authority and the agreement. An authority~~

1 ~~may provide in its regulations those facilities which, having~~
2 ~~been constructed at the expense of the owner of properties,~~
3 ~~the authority will require to be dedicated and which facility~~
4 ~~or facilities the authority will accept as a part of its~~
5 ~~system.~~

6 * * *

7 ~~(31.1) To perform the replacement or remediation of~~
8 ~~private lateral water lines if the authority determines that~~
9 ~~the replacement or remediation will benefit the public water~~
10 ~~supply system or the public health. No authority that has~~
11 ~~performed the replacement or remediation under this paragraph~~
12 ~~shall be deemed to be the owner of the private lateral water~~
13 ~~lines or obligated to perform any other duties regarding~~
14 ~~private water lines, unless the authority makes an~~
15 ~~affirmative determination to accept such duties.~~

16 ~~(31.2) To use public funds for the replacement or~~
17 ~~remediation of private lateral water lines if the authority~~
18 ~~determines that the replacement or remediation will benefit~~
19 ~~the public water supply system or the public health. Before~~
20 ~~using public funds under this paragraph, the authority shall~~
21 ~~consider the available public funds, equipment, personnel and~~
22 ~~facilities and the competing demands of the authority for the~~
23 ~~public funds, equipment, personnel and facilities.~~

24 * * *

25 Section 3. This act shall take effect in 60 days.