

No. 133

AN ACT

SB 1118

Amending the act of July 18, 1935 (P.L.1286), entitled, as amended, "An act empowering counties of the second class, cities, boroughs, incorporated towns, and townships to charge and collect from owners of and water users in property served thereby, annual rentals, rates or charges for the use of certain sewers, sewerage systems and sewage treatment works, including charges for operation, inspection, maintenance, repair, depreciation, and the amortization of indebtedness and interest thereon; empowering counties of the second class, cities, boroughs, incorporated towns and townships to contract with authorities organized by cities of the second class, by cities of the second class A, by counties of the second class or by cities of the third class for sewer, sewerage and sewage treatment services; to grant, convey, lease, transfer, encumber, mortgage and pledge to such authorities, their sewers, sewerage systems and sewage treatment works; to assign and pledge to such authorities rentals, rates and charges charged and collected by them for the use thereof, and to assign to such authorities their power to charge and collect the same; and validating all such contracts, grants, conveyances, leases, transfers, assignments, encumbrances, mortgages and pledges heretofore made," extending the provisions of the act to all counties.

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

Section 1. The title, act of July 18, 1935 (P.L.1286), entitled, as amended, "An act empowering counties of the second class, cities, boroughs, incorporated towns, and townships to charge and collect from owners of and water users in property served thereby, annual rentals, rates or charges for the use of certain sewers, sewerage systems and sewage treatment works, including charges for operation, inspection, maintenance, repair, depreciation, and the amortization of indebtedness and interest thereon; empowering counties of the second class, cities, boroughs, incorporated towns and townships to contract with authorities organized by cities of the second class, by cities of the second class A, by counties of the second class or by cities of the third class for sewer, sewerage and sewage treatment services; to grant, convey, lease, transfer, encumber, mortgage and pledge to such authorities, their sewers, sewerage systems and sewage treatment works; to assign and pledge to such authorities rentals, rates and charges charged and collected by them for the use thereof, and to assign to such authorities their power to charge and collect the same; and validating all such contracts, grants, conveyances, leases, transfers, assignments, encumbrances, mortgages and pledges heretofore made," amended October 19, 1967 (P.L.467), is amended to read:

AN ACT

Empowering counties [**of the second class**], cities, boroughs, incorporated towns, and townships to charge and collect from owners of and water users in property served thereby, annual rentals, rates or charges for the use of certain sewers, sewerage systems and sewage treatment works, including charges for operation, inspection, maintenance, repair, depreciation, and the amortization of indebtedness and interest thereon; empowering counties [**of the second class**], cities, boroughs, incorporated towns and townships to contract with authorities organized by cities of the second class, by cities of the second class A, by counties [**of the second class**] or by cities of the third class for sewer, sewerage and sewage treatment services; to grant, convey, lease, transfer, encumber, mortgage and pledge to such authorities, their sewers, sewerage systems and sewage treatment works; to assign and pledge to such authorities rentals, rates and charges charged and collected by them for the use thereof, and to assign to such authorities their power to charge and collect the same; and validating all such contracts, grants, conveyances, leases, transfers, assignments, encumbrances, mortgages and pledges heretofore made.

Section 2. Sections 1 and 2 of the act, amended April 18, 1949 (P.L.499), are reenacted and amended to read:

Section 1. Be it enacted, &c., That whenever any county [**of the second class**], city, borough, incorporated town, or township, either singly or jointly with other municipalities or townships, (a) has, wholly or partially, constructed or completed or shall hereafter, wholly or partially, construct or complete any sewer, sewerage system or sewage treatment works, either wholly or partially at public expense, or (b) has acquired or shall hereafter acquire the same, either wholly or partially at public expense, or (c) has entered or shall hereafter enter into any contract with any authority established in accordance with law or with any private corporation for the design or construction of sewers, sewerage systems or sewage treatment works or for the furnishing of sewer, sewerage or sewage treatment services, for its or their benefit and the benefit of the inhabitants thereof, such county [**of the second class**], city, borough, incorporated town, or township may provide by ordinance or resolution, enacted either before or after the acquisition or construction thereof, or the entry into such contract, for the imposition and collection of an annual rental, rate or charge for the use of such sewer, sewerage system, or sewage treatment works from the owners of, or the users of water in or on the property served or to be served by it, or from both the owner and the water user, whether such property is located within or without the corporate limits of such county [**of the second class**], city, borough, town, or township.

The annual rental, rate or charge so imposed shall be a lien on the properties served, and such liens may be filed in the office of the prothonotary and collected in the manner provided by law for the filing and collection of municipal claims.

Section 2. Any such annual rental, rate or charge may be, but shall not be limited to, such sum as may be sufficient to meet any or all of the following

classes of expense: (a) the amount expended annually by the county [of the second class], city, borough, incorporated town, or township in the operation, maintenance, repair, alteration, inspection, depreciation, or other expenses in relation to such sewer, sewerage system, or sewage treatment works; (b) such annual amount as may be necessary to provide for the amortization of any indebtedness incurred, or non-debt revenue bonds issued, by the county [of the second class], city, borough, incorporated town, or township in the construction or acquisition of such sewer, sewerage system, or sewage treatment works, and interest thereon, in order that said improvements may become self-liquidating, or as may be sufficient to pay the amount agreed to be paid annually under the terms of any contract or lease with any authority or private corporation furnishing, or undertaking to design or construct facilities with which to furnish, sewer, sewerage or sewage treatment services to such county [of the second class], city, borough, town, or township and its inhabitants; and (c) sufficient to establish a margin of safety of ten per centum. Any unused surplus from any preceding year shall be paid into the fund accruing from said rentals, rates or charges and, whenever the amount in said fund exceeds the said margin of safety of ten per centum, the excess shall be paid into the sinking fund. The amount required for sinking fund and interest shall be paid into the sinking fund, and the amount so paid, including any excess as above provided, shall not be used for any other purpose. The said annual rental or whatever rate or charge shall be decided upon by the county [of the second class], city, borough, incorporated town, or township shall be apportioned equitably among the properties served by the said sewer, sewerage system, or sewage treatment works.

Section 3. Section 2.1 of the act, amended October 19, 1967 (P.L.467), is amended to read:

Section 2.1. It shall be lawful for any county [of the second class], city, borough, incorporated town, or township to execute such agreements and contracts as it may deem necessary or advisable with an authority organized by a city of the second class, by a city of the second class A, by a county [of the second class] or by a city of the third class undertaking to provide, or to design or construct facilities with which to provide, sewer, sewerage or sewage treatment service to it and to its inhabitants and to such adjacent territory as it may be authorized to serve; also to grant, convey, lease, transfer, encumber, mortgage and pledge to such authority, its sewers, sewerage systems, sewage treatment works and appurtenant facilities, and any improvements, extensions and additions thereto; to assign and pledge to such authority rentals, rates and charges charged and collected by it for the use thereof, and to assign to such authority its power to charge and collect the same. No such agreement, contract, grant, conveyance, lease, transfer, assignment, encumbrance, mortgage or pledge shall be construed to prevent the affected county [of the second class], city, borough, incorporated town, or township from thereafter using its tax revenues for the purpose of maintaining, repairing, altering, inspecting, improving, or extending such sewers, sewerage systems or sewage treatment works.

Every such agreement, contract, grant, conveyance, lease, transfer, assignment, encumbrance, mortgage and pledge heretofore made to or with any authority organized by a city of the second class, by a city of the second class A, by a county [of the second class] or by a city of the third class is hereby ratified, confirmed and made valid, and the same shall be and remain lawful, valid and enforceable according to its terms.

Section 4. This act shall take effect immediately.

APPROVED—The 22nd day of June, A. D. 1970.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 133.

A handwritten signature in cursive script, appearing to read "Robert J. Kelley".

Secretary of the Commonwealth.