

No. 1992-158

AN ACT

HB 1221

Amending the act of February 1, 1966 (1965 P.L.1656, No.581), entitled "An act concerning boroughs, and revising, amending and consolidating the law relating to boroughs," further providing for compensation for certain aged employees; providing for funding of police pensions; and further providing for specific powers of the borough.

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

Section I. Sections 1105, 1134 and 1202(37) of the act of February 1, 1966 (1965 P.L.1656, No.581), known as The Borough Code, are amended to read:

Section 1105. Compensation to Aged Employees.—By ordinance a borough may provide for compensation to appointees and employes of not less than ten years of satisfactory service, and who are not less than sixty years of age, *upon termination of active employment with the borough* a proportion of the compensation last paid to them but not in excess of fifty percent thereof, including benefits received under the social security act, if any, as fixed in said ordinance or amendment thereto. *Any arrangement to provide post-retirement compensation to aged appointees and employes pursuant to this section shall be a pension plan within the meaning of that term pursuant to the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act," and the borough establishing that plan shall provide funding of that pension plan in an amount sufficient to meet the minimum obligation of the municipality with respect to the pension plan pursuant to that act.* The expenditures herein authorized shall be paid out of the general tax levy for the current expenditures of the year, and not by any special tax therefor. Nothing herein shall preclude any appointee or employe of the borough from joining in any pension system or municipal retirement system that the borough may adopt. The true intent and purpose hereof is to permit boroughs, without exceeding the present general tax limitation, to pay to servants in their employ who are too old to advantageously join any pensioning or retirement system, a reasonable annuity in lieu of joining a pensioning or retirement system.

Section 1134. Pensions Not to be Charged on Other Funds; *Pension Plan Funding.*—(a) Payments made on account of police pensions shall be a charge on no fund in the treasury of the borough, or under its control, other than the police pension fund.

(b) *The borough establishing a police pension fund by ordinance pursuant to this act shall provide, from any available borough revenue source, funding of that police pension fund in an amount sufficient to meet the minimum obligation of the municipality with respect to the pension fund pursuant to the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act."*

Section 1202. Specific Powers.—The powers of the borough shall be vested in the corporate authorities. Among the specific powers of the borough shall be the following, and in the exercise of any of such powers involving the enactment of any ordinance or the making of any regulation, restriction or prohibition, the borough may provide for the enforcement thereof and may prescribe penalties for the violation thereof or for the failure to conform thereto:

* * *

(37) Other insurance. To appropriate such amount as may be necessary to secure insurance or compensation for volunteer firemen of companies duly recognized by the borough, by motion or resolution, killed or injured while going to, returning from, or attending fires, or while performing their duties as special fire police. To make contracts of insurance with any insurance company, association or exchange, authorized to transact business in the Commonwealth, insuring borough employes, *or mayor and council*, or any class, or classes thereof, or their dependents, under a policy or policies of insurance covering life, health, hospitalization, medical and surgical service and/or accident insurance, and to contract with any such company, granting annuities or pensions, for the pensioning of borough employes, or any class, or classes thereof, and to agree to pay part or all of the premiums or charges for carrying such contracts, and to appropriate moneys from the borough treasury for such purposes. To make contracts with any insurance company, association or exchange, authorized to transact business in this Commonwealth, insuring any public liability of the borough, and to appropriate moneys from the borough treasury for such purpose.

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Section 2. Section 2471 of the act, amended October 16, 1980 (P.L.991, No.172), is amended to read:

Section 2471. Manufacture and Purchase of Electricity.—Any borough may manufacture or purchase electricity for the use of the inhabitants of such borough. Any borough owning or operating electric light plants may make contracts for supplying electricity for commercial purposes outside the limits of such borough, with the consent of the municipal and township authorities. Nothing in this section shall conflict with the corporate rights of any corporation empowered to supply electricity in territory adjacent to such boroughs, or with the rights of any other borough. No person, firm, or corporation shall introduce electric current for light, heat, or power purposes, without the consent of the borough authorities, into the limits of any borough which is furnishing electric current to the inhabitants: Provided, however, That this section shall not apply to any person, firm, or corporation manufacturing electricity exclusively for its own use: And provided further, That **[before] any borough [shall construct] which constructs** an electric light plant, or **[purchase] purchases** the property of any person, copartnership, or electric light company, **[the question of the increase of the debt of such borough,] and incurs debt** for any of such purposes, shall **[first be submitted to the qualified voters of the borough, in the manner provided by law for the increase of indebtedness of municipal corporations.] incur**

such debt in accordance with and to the extent permitted by the act of July 12, 1972 (P.L.781, No.185), known as the "Local Government Unit Debt Act." Nothing in this act shall be construed so as to disallow any borough *from* operating a cable television system [as of July 1, 1979 from continuing to operate the same].

Section 3. This act shall take effect immediately.

APPROVED—The 16th day of December, A. D. 1992.

ROBERT P. CASEY