

Purdon's Pennsylvania Statutes and Consolidated Statutes

Title 53 P.S. Municipal and Quasi-Municipal Corporations

Part I. General Municipal Law

Chapter 30E. Municipalities Financial Recovery Act (Refs & Annos)

Chapter 2. Municipal Financial Distress

Subchapter D. Application of Federal Law

53 P.S. § 11701.261

§ 11701.261. Filing municipal debt adjustment under Federal law

Currentness

(a) Authorization.--In the event one of the following conditions is present, a municipality is hereby authorized to file a municipal debt adjustment action pursuant to the Bankruptcy Code (11 U.S.C. § 101 et seq.):

- (1) After recommendation by the plan coordinator pursuant to [section 241\(6\)](#).¹
- (2) Imminent jeopardy of an action by a creditor, claimant or supplier of goods or services which is likely to substantially interrupt or restrict the continued ability of the municipality to provide health or safety services to its citizens.
- (3) One or more creditors of the municipality have rejected the proposed or adopted plan, and efforts to negotiate resolution of their claims have been unsuccessful for a ten-day period.
- (4) A condition substantially affecting the municipality's financial distress is potentially solvable only by utilizing a remedy exclusively available to the municipality through the Federal Municipal Debt Readjustment Act (48 Stat. 798).
- (5) A majority of the current or immediately preceding governing body of a municipality determined to be financially distressed has failed to adopt a plan or to carry out the recommendations of the coordinator pursuant to this act.

(b) Majority vote.--This authority may be exercised only upon the vote by a majority of the municipality's governing body.

Credits

1987, July 10, P.L. 246, No. 47, § 261, effective in 60 days.

Editors' Notes

REPEALED IN PART

<Act 1987, July 10, P.L. 246, No. 47, Ch. 2, Subch. D [53 P.S. §§ 11701.261 to [11701.264](#)] is repealed as to cities of the first class by § 708 of Act 1991, June 5, P.L. 9, No. 6, enacting the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class. See [53 P.S. § 12720.101 et seq.](#)>

Current through 2011 Acts 1 to 75

Footnotes

¹ [53 P.S. § 11701.241\(6\)](#).