

The municipal authority in Pennsylvania is an alternate vehicle for accomplishing public purposes rather than through direct action of counties, municipalities and school districts. The Municipality Authorities Act of 1945 describes an authority as "a body corporate and politic" authorized to acquire, construct, finance, improve, maintain and operate projects, provide financing for insurance reserves, make loans, and to borrow money and issue bonds to finance them.

Although local government plays a role in creation of an authority and appoints the members of its board, the authority is not part of the municipal government. An authority is not the creature, agent or representative of the municipality, but is an independent agency of the Commonwealth. It is a public corporation engaged in the administration of civil government. An authority is a separate legal entity with power to incur debt, own property and finance its activities by means of user charges or lease rentals. An authority can be a financing agent for a capital project, an operating entity or both. Authorities finance a significant share of local capital improvements.

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