

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 15

Session of
2003

INTRODUCED BY WALKO, THOMAS, BEBKO-JONES, BELARDI, BELFANTI,
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STABACK, YOUNGBLOOD, YUDICHAK, FICHTER, FREEMAN, EACHUS AND
JOSEPHS, JANUARY 29, 2003

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JANUARY 29, 2003

AN ACT

1 Establishing a grant program to assist municipalities in the
2 eradication of blighted property; conferring powers and
3 duties upon the Department of Community and Economic
4 Development; establishing the Blighted Property Eradication
5 Review Board; establishing the Blighted Property Eradication
6 Grant Fund; establishing the Blighted Property Eradication
7 Grant Sinking Fund; authorizing the incurring of indebtedness
8 of \$100,000,000 to assist in the eradication of blighted
9 property; and making an appropriation.

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

12 CHAPTER 1

13 PRELIMINARY PROVISIONS

14 Section 101. Short title.

15 This act shall be known and may be cited as the Blighted
16 Property Eradication Grant Act.

17 Section 102. Purpose.

18 The purpose of this act is to provide assistance to
19 municipalities to remove blighted properties to clear sites for
20 new development.

1 Section 103. Definitions.

2 The following words and phrases when used in this act shall
3 have the meanings given to them in this section unless the
4 context clearly indicates otherwise:

5 "Blighted property." Any of the following:

6 (1) A premises which, because of physical condition or
7 use, is regarded as a public nuisance at common law or has
8 been declared a public nuisance in accordance with the local
9 housing, building, plumbing, fire and related codes and
10 ordinances, including nuisance and dangerous building
11 ordinances.

12 (2) A premises which, because of physical condition, use
13 or occupancy, is considered an attractive nuisance to
14 children, including, but not limited to, abandoned wells,
15 shafts, basements, excavations and unsafe fences or
16 structures.

17 (3) A dwelling which, because it is dilapidated,
18 unsanitary, unsafe, vermin infested or lacking in the
19 facilities and equipment required by the housing code of the
20 municipality, has been designated by the department
21 responsible for enforcement of the code as unfit for human
22 habitation.

23 (4) A structure which is a fire hazard or is otherwise
24 dangerous to the safety of persons or property.

25 (5) A structure from which the utilities, plumbing,
26 heating, sewerage or other facilities have been disconnected,
27 destroyed, removed or rendered ineffective so that the
28 property is unfit for its intended use.

29 (6) A vacant or unimproved lot or parcel of ground in a
30 predominantly built-up neighborhood which by reason of

neglect or lack of maintenance has become a place for accumulation of trash and debris or a haven for rodents or other vermin.

(7) An unoccupied property which has been tax delinquent for a period of two years and those in the future having a two-year tax delinquency.

(8) A property which is vacant but not tax delinquent and which has not been rehabilitated within one year of the receipt of notice to rehabilitate from the appropriate code enforcement agency.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Fund." The Blighted Property Eradication Grant Fund established under section 501(a).

"Municipality." A city, borough, incorporated town, township or home rule, optional plan or optional charter municipality or public authority within this Commonwealth which has a redevelopment assistance or antiblight program. The term also includes any other governmental entity charged with enforcement of municipal housing, building, plumbing, fire and related codes.

"Review board." The Blighted Property Eradication Review Board established under section 302.

CHAPTER 3

GRANT PROGRAM

Section 301. Blighted Property Eradication Grant Program.

(a) Establishment.--The Blighted Property Eradication Grant Program is hereby established and shall be administered by the department. The department shall issue grants to eligible municipalities for the purpose of reducing blighted property

1 conditions through the demolition and removal of blighted
2 property.

3 (b) Eligibility.--In order to receive a grant under this
4 act, a municipality must submit an application acceptable to the
5 review board and satisfy any eligibility criteria established
6 under subsection (e).

7 (c) Matching funds.--A municipality shall provide its own
8 funds or in-kind contributions, approved by the department as
9 determined by regulations promulgated by the department under
10 section 303, equal to the amount of the grant provided, and
11 shall dedicate and expend those funds for the purpose for which
12 the grant was awarded.

13 (d) Limitation.--Grants provided under this section shall
14 not exceed \$2,000,000 per year. A municipality shall not be
15 entitled to more than one grant per calendar year.

16 (e) Criteria.--The department shall establish criteria for
17 the grants, including, but not limited to:

18 (1) The overall need of the municipality as determined
19 by the average income of the residents of the municipality.

20 (2) The age of the existing housing stock in the
21 municipality.

22 (3) The municipality's existing tax base.

23 (4) The existing financial condition of the
24 municipality.

25 Section 302. Blighted Property Eradication Review Board.

26 (a) Establishment.--There is hereby established a Blighted
27 Property Eradication Review Board within the department.

28 (b) Powers and duties.--It shall be the duty of the review
29 board to review each application submitted pursuant to this act,
30 and the review board shall have the power to award or deny a

1 municipality a grant under this act. The review board shall
2 attempt to award grants to the most geographically diverse
3 extent as possible.

4 CHAPTER 5

5 ADMINISTRATION

6 Section 501. Fund.

7 (a) Establishment.--The Blighted Property Eradication Grant
8 Fund is established as a separate fund in the State Treasury.

9 (b) Source.--The proceeds from the sale of bonds under
10 section 705 shall be a source of the fund.

11 (c) Purpose.--The department shall administer the fund to do
12 all of the following:

13 (1) Repay the State Treasurer for the cost of any bonds
14 issued under Chapter 7.

15 (2) Make grants under Chapter 3.

16 (3) Administer this act.

17 In any fiscal year, the review board may use for administrative
18 costs 1% of the aggregate debt authorized under section 703.

19 CHAPTER 7

20 DEBT

21 Section 701. Definitions.

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

25 "Fund." The Blighted Property Eradication Grant Sinking Fund
26 established under section 709(a).

27 "Issuing officials." The Governor, the Auditor General and
28 the State Treasurer acting in concert to effect borrowing in
29 accordance with and for the purposes of this act.

30 "Secretary." The Secretary of the Commonwealth.

1 Section 702. Referendum to authorize incurring indebtedness.

2 (a) Submission of question to electors.--The question of
3 incurring indebtedness of \$100,000,000 for the fund to be used
4 to help eradicate blighted property by issuing grants to
5 municipalities shall be submitted to the electors at the next
6 primary, municipal or general election following the effective
7 date of this act.

8 (b) Certification to county boards of elections.--The
9 secretary shall immediately certify the question under
10 subsection (a) to the county boards of elections.

11 (c) Form of question.--The question shall be in
12 substantially the following form:

13 Do you favor the incurring of indebtedness by the
14 Commonwealth of \$100,000,000 to be used to help eradicate
15 blighted property by issuing grants to municipalities in
16 this Commonwealth?

17 (d) Conduct of election.--The election shall be conducted in
18 accordance with the act of June 3, 1937 (P.L.1333, No.320),
19 known as the Pennsylvania Election Code, except that the time
20 limits for advertisement of notice of the election may be waived
21 as to the question.

22 Section 703. Authority to borrow.

23 In the event that the question of incurring indebtedness, as
24 described in section 702, is approved by a majority of those
25 voting on the question in accordance with section 7(a)(3) of
26 Article VIII of the Constitution of Pennsylvania, the issuing
27 officials are hereby authorized and directed to borrow, on the
28 credit of the Commonwealth, such sum or sums of money not
29 exceeding in the aggregate the sum of \$100,000,000 as may be
30 necessary to carry out the purposes of this act.

1 Section 704. Bonds, issue, maturity, interest, etc.

2 (a) Issuance.--As evidence of the indebtedness authorized in
3 this act, general obligation bonds of the Commonwealth shall be
4 issued from time to time for such total amounts, in such forms,
5 in such denominations and subject to such terms and conditions
6 of issue, redemption and maturity, rate or rates of interest and
7 time of payment of interest as the issuing officials shall
8 direct, except that the latest stated maturity date shall not
9 exceed 30 years from the date of the bond first issued for each
10 such series.

11 (b) Signatures and seal.--All bonds issued under the
12 authority of this act shall bear facsimile signatures of the
13 issuing officials, and a facsimile of the Great Seal of the
14 Commonwealth, and shall be countersigned by two duly authorized
15 officers of the duly authorized loan and transfer agents of the
16 Commonwealth.

17 (c) Full faith and credit.--All bonds issued in accordance
18 with the provisions of this act shall be direct obligations of
19 the Commonwealth, and the full faith and credit of the
20 Commonwealth are hereby pledged for the payment of the interest
21 thereon as the same shall become due and for the payment of the
22 principal thereof at maturity. All bonds issued under the
23 provisions of this act shall be exempt from taxation for State
24 and local purposes. The principal of and interest on such bonds
25 shall be payable in lawful money of the United States of
26 America.

27 (d) Form.--Bonds issued under this act may be issued as
28 coupon bonds or registered as to both principal and interest as
29 the issuing officials may determine. If interest coupons are
30 attached, they shall contain the facsimile signature of the

1 State Treasurer.

2 (e) Amount.--The issuing officials shall provide for the
3 amortization of the bonds issued under this act in substantial
4 and regular amounts over the term of the debt.

5 (f) Preparation.--The issuing officials shall proceed to
6 have the necessary bonds prepared and printed. The bonds, as
7 soon as they are prepared and printed, shall be deposited with
8 the duly authorized loan and transfer agent of the Commonwealth,
9 there to remain until sold in accordance with the provisions of
10 this act.

11 Section 705. Sale of bonds.

12 (a) Offering for sale.--When bonds are issued under this
13 act, they shall be offered for sale and shall be sold by the
14 issuing officials to the highest and best bidder or bidders
15 after due public advertisement, on such terms and conditions and
16 upon such open competitive bidding as the issuing officials
17 shall direct. The manner and character of advertisement and the
18 times of advertising shall be prescribed by the issuing
19 officials.

20 (b) Private sale.--Any portion of any bond issue offered
21 under subsection (a) and not sold or subscribed for may be
22 disposed of by private sale by the issuing officials, in such
23 manner and at such prices as the Governor shall direct.

24 (c) Series.--When bonds are issued from time to time, the
25 bonds of each issue shall constitute a separate series to be
26 designated by the issuing officials or may be combined for sale
27 as one series with other general obligation bonds of the
28 Commonwealth.

29 Section 706. Refunding bonds.

30 The issuing officials are hereby authorized to provide by

1 resolution for the issuance of refunding bonds for the purpose
2 of refunding any bonds issued under the provisions of this act
3 and then outstanding, either by voluntary exchange with the
4 holders of such outstanding bonds with accrued interest and any
5 premium payable thereon, at maturity or at any call date. The
6 issuance of refunding bonds, the maturities and other details
7 thereof, the rights of the holders thereof and the duties of the
8 issuing officials in respect to refunding bonds shall be
9 governed by the provisions of this act insofar as they may be
10 applicable. Refunding bonds may be issued by the issuing
11 officials to refund bonds originally issued or to refund bonds
12 previously issued for refunding purposes.

13 Section 707. Registration of bonds.

14 The Auditor General shall prepare the necessary registry book
15 to be kept in the office of the duly authorized loan and
16 transfer agent of the Commonwealth for the registration of any
17 bonds, at the request of owners thereof, according to the terms
18 and conditions of issue directed by the issuing officials. All
19 bonds which are issued under this act without interest coupons
20 attached shall be registered in the registry books kept by the
21 duly authorized loan and transfer agent of the Commonwealth.

22 Section 708. Disposition and use of proceeds.

23 (a) Payment into fund.--The proceeds realized from the sale
24 of bonds under this act shall be paid into the fund and are
25 hereby specifically dedicated to the purpose of the referendum
26 authorized under section 702. The moneys shall be paid
27 periodically by the State Treasurer to the department at such
28 times and in such amounts as may be necessary to satisfy the
29 purpose of this act.

30 (b) Investment and earnings.--Pending their application to

1 the purposes authorized, moneys held or deposited in the fund by
2 the State Treasurer may be invested or reinvested as are other
3 funds in the custody of the State Treasurer in the manner
4 provided by law. All earnings received from the investment or
5 deposit of such funds shall be paid into the State Treasury to
6 the credit of the fund.

7 Section 709. Blighted Property Eradication Grant Sinking Fund.

8 (a) Establishment.--All bonds issued under the authority of
9 this act shall be redeemed at maturity, and all interest due
10 from time to time on such bonds shall be paid from the Blighted
11 Property Eradication Grant Sinking Fund which is hereby
12 established. For the specific purpose of redeeming these bonds
13 at maturity and paying all interest thereon in accordance with
14 the information received from the Governor, the General Assembly
15 shall appropriate moneys for the payment of interest on these
16 bonds and the principal thereof at maturity.

17 (b) Investment.--All moneys paid into the Blighted Property
18 Eradication Grant Sinking Fund and all of such moneys not
19 necessary to pay accruing interest shall be invested by the
20 Board of Finance and Revenue in such securities as are provided
21 by law for the investment of the sinking funds of the
22 Commonwealth.

23 Section 710. Expenses of preparation, issue and sale of bonds.

24 There is hereby appropriated to the State Treasurer, from the
25 proceeds of the bonds issued, as much of the moneys as may be
26 necessary for all costs and expenses in connection with the
27 issue of and sale and registration of bonds in connection with
28 this act.

29 Section 711. Temporary financing authorization.

30 (a) Temporary borrowing.--Pending the issuance of bonds of

1 the Commonwealth, the issuing officials are authorized, on the
2 credit of the Commonwealth, to make temporary borrowings of such
3 moneys as may from time to time be necessary to carry out the
4 purposes of this act and are authorized in the name and on
5 behalf of the Commonwealth to enter into loan or credit
6 agreements with any banks or trust companies or other lending
7 institutions or persons in the United States having power to
8 enter into the same.

9 (b) Form.--All temporary borrowings made under the authority
10 of this section shall be evidenced by notes of the Commonwealth,
11 which shall be issued from time to time for such amounts, not
12 exceeding in the aggregate the sum of \$100,000,000, in such form
13 and in such denominations and subject to such terms and
14 conditions of issue, prepayment or redemption and maturity, rate
15 of interest and time of payment of interest as the issuing
16 officials shall direct. All notes issued under the authority of
17 this section shall bear the facsimile signatures of the issuing
18 officials and a facsimile of the Great Seal of the Commonwealth
19 and shall be countersigned by two duly authorized officers of a
20 duly authorized loan and transfer agent of the Commonwealth.

21 (c) Funding and retirement.--All notes under this section
22 shall be funded and retired by the issuance and sale of bonds of
23 the Commonwealth to the extent that payment of these notes has
24 not otherwise been made or provided for.

25 (d) Proceeds.--The proceeds of all temporary borrowings
26 under this section shall be paid into the fund.

27 Section 712. Quorum.

28 Whenever in this act any action is to be taken or any
29 decision is to be made by the issuing officials and the three
30 officers are not able to agree unanimously, the action or

1 decision of the Governor and either the Auditor General or the
2 State Treasurer shall be binding and final.

3 Section 713. Information to General Assembly.

4 The Governor shall include in every budget submitted to the
5 General Assembly full information relating to the issuance of
6 bonds under the provisions of this act and the status of the
7 sinking funds of the Commonwealth for the payment of the
8 interest on those bonds and the principal thereof at maturity.

9 Section 714. Allotment of moneys.

10 (a) Appropriation.--Of the moneys received by the
11 Commonwealth from the issuance and sale of bonds and notes
12 pursuant to this act, when appropriated by the General Assembly
13 from the fund, the sum of \$100,000,000 shall be allotted to the
14 department for the eradication of blighted properties through
15 the issuance of grants to municipalities.

16 (b) Federal programs.--The department and review board may
17 utilize any available Federal program to augment the funds made
18 available to the department or review board under this act.

19 Section 715. Appropriation.

20 (1) The sum of \$100,000,000, or as much thereof as is
21 able to be borrowed by temporary financing or by bonds, is
22 hereby appropriated to the Blighted Property Eradication
23 Grant Fund for the purposes set forth in this act.

24 (2) The General Assembly may make appropriations from
25 time to time to the Blighted Property Eradication Grant Fund,
26 to the Department of Community and Economic Development, or
27 to both, to carry out the purposes of this act, which
28 appropriations shall be continuing appropriations and shall
29 not lapse.

30

CHAPTER 53

MISCELLANEOUS PROVISIONS

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Section 5301. Regulations.

Within 90 days of the effective date of this act, the department shall promulgate rules and regulations to carry out the provisions of this act.

Section 5302. Effective date.

This act shall take effect immediately.