

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 667

PRINTER NO. 888

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 4, 2017

PRIME SPONSOR

Senator Stefano

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 667 amends the Urban Redevelopment Law (Act 385 of 1945) by further providing for powers of a redevelopment authority.

The legislation amends Section 9 of the Urban Redevelopment Act to provide redevelopment authorities the same powers currently allotted to land banks through Act 152 of 2012 (Pennsylvania Land Bank Act). Specifically, Senate Bill 667 allows redevelopment authorities to:

- Accept the transfer of real property of the county held by the tax claim bureau in a repository for unsold property under section 626 of the Real Estate Tax Sale Law.
- Accept the transfer of real property of a municipality purchased by the municipality under section 29 of the Municipal Claim and Tax Lien Law.
- Accept the transfer of real property held by a city of the second class as taxing agent for taxing bodies having claims against the property under section 401 of the Second Class City Treasurer's Sale and Collection Act.
- Accept donations of real property and extinguish delinquent claims for taxes as to the real property as specified under section 5.1 of the Municipal Claim and Tax Lien Law and section 303 of the Real Estate Tax Sale Law. Under this provision, an authority has the same rights as a municipality under section 5.1 of the Municipal Claim and Tax Lien Law and a local taxing district under section 303 of the Real Estate Tax Sale Law.
- Accept the remittance or dedication of a portion of real property taxes collected in accordance with Pennsylvania law on real property conveyed by an authority if the remittance or dedication is authorized by the taxing jurisdiction. An authority shall allocate tax revenues collected under this subsection beginning in the first taxable year after the date of conveyance and for five taxable years thereafter. The tax revenue allocated under this subsection may not exceed a maximum of 50% of the aggregate property tax revenues generated by the real property. The remittance or dedication of real property taxes shall include the real property taxes of a school district if the school district enters into an agreement with the authority for the remittance or dedication.

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This act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 667 will have no adverse fiscal impact on Commonwealth or local funds.

The legislation authorizes, but does not require, a redevelopment authority to acquire tax delinquent properties, to discharge tax liens on those properties, and to share up to 50% of the real property taxes for five years after conveyance of authority-owned property.

A redevelopment authority is entitled to share a portion of real property taxes only if authorized by the appropriate taxing jurisdiction, including a school district. Presumably, a local taxing jurisdiction will agree to such arrangements only in instances where the benefit of eliminating blighted properties and returning them to the tax rolls is fiscally advantageous to the local taxing jurisdiction.