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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 188

Session of  
1979

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INTRODUCED BY ZEMPRELLI, ROSS, FUMO, JUBELIRER, MESSINGER,  
REIBMAN AND SCHAEFER, FEBRUARY 12, 1979

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AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF  
REPRESENTATIVES, AS AMENDED, DECEMBER 10, 1979

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AN ACT

1 Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An  
2 act providing for the incorporation as bodies corporate and  
3 politic of 'Authorities' for municipalities, counties and  
4 townships; prescribing the rights, powers and duties of such  
5 Authorities heretofore or hereafter incorporated; authorizing  
6 such Authorities to acquire, construct, improve, maintain and  
7 operate projects, and to borrow money and issue bonds  
8 therefor; providing for the payment of such bonds, and  
9 prescribing the rights of the holders thereof; conferring the  
10 right of eminent domain on such Authorities; authorizing such  
11 Authorities to enter into contracts with and to accept grants  
12 from the Federal Government or any agency thereof; and  
13 conferring exclusive jurisdiction on certain courts over  
14 rates," authorizing Authorities to provide business  
15 improvements and business administrative services.

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

18 Section 1. Subsection A. of section 4, act of May 2, 1945  
19 (P.L.382, No.164), known as the "Municipality Authorities Act of  
20 1945," amended August 1, 1975 (P.L.164, No.85), is amended and  
21 the section is amended by adding a subsection to read:

22 Section 4. Purposes and Powers; General.--A. Every  
23 Authority incorporated under this act shall be a body corporate

1 and politic, and shall be for the purpose of acquiring, holding,  
2 constructing, improving, maintaining and operating, owning,  
3 leasing, either in the capacity of lessor or lessee, projects of  
4 the following kind and character, equipment to be leased by an  
5 Authority to the municipality or municipalities that organized  
6 it, buildings to be devoted wholly or partially for public uses,  
7 including public school buildings, and facilities for the  
8 conduct of judicial proceedings, and for revenue-producing  
9 purposes; transportation, marketing, shopping, terminals,  
10 bridges, tunnels, flood control projects, highways, parkways,  
11 traffic distribution centers, parking spaces, airports, and all  
12 facilities necessary or incident thereto, parks, recreation  
13 grounds and facilities, sewers, sewer systems or parts thereof,  
14 sewage treatment works, including works for treating and  
15 disposing of industrial waste, facilities and equipment for the  
16 collection, removal or disposal of ashes, garbage, rubbish and  
17 other refuse materials by incineration, land fill or other  
18 methods, steam heating plants and distribution systems,  
19 incinerator plants, waterworks, water supply works, water  
20 distribution systems, swimming pools, playgrounds, lakes, low  
21 head dams, hospitals, health centers, motor buses for public  
22 use, when such motor buses are to be used within any  
23 municipality, subways and industrial development projects,  
24 including but not limited to projects to retain or develop  
25 existing industries and the development of new industries:  
26 Provided, That an Authority created by a school district or  
27 school districts shall have the power only to acquire, hold,  
28 construct, improve, maintain, operate and lease public school  
29 buildings and other school projects acquired, constructed or  
30 improved for public school purposes. The purpose and intent of

1 this act being to benefit the people of the Commonwealth by,  
2 among other things, increasing their commerce, health, safety  
3 and prosperity, and not to unnecessarily burden or interfere  
4 with existing business by the establishment of competitive  
5 enterprises, none of the powers granted by this act shall be  
6 exercised in the construction, improvement, maintenance,  
7 extension or operation of any project or projects which in whole  
8 or in part shall duplicate or compete with existing enterprises  
9 serving substantially the same purposes. This limitation shall  
10 not apply to the exercise of the powers granted hereunder for  
11 facilities and equipment for the collection, removal or disposal  
12 of ashes, garbage, rubbish and other refuse materials by  
13 incineration, land fill or other methods, if each municipality  
14 organizing or intending to use the facilities of an Authority  
15 having such powers shall declare by resolution or ordinance that  
16 it is desirable for the health and safety of the people of such  
17 municipality that it use the facilities of the Authority, and if  
18 any contract between such municipality and any other person,  
19 firm or corporation for the collection, removal or disposal of  
20 ashes, garbage, rubbish and other refuse material has by its  
21 terms expired or is terminable at the option of the municipality  
22 or will expire within six months from the date such ordinance  
23 becomes effective. This limitation shall not apply to the  
24 exercise of the powers granted hereunder for industrial  
25 development projects if the Authority does not develop  
26 industrial projects which will compete with existing industries.  
27 This limitation shall not apply to the exercise of the powers  
28 granted hereunder for business improvement districts if each  
29 municipality organizing an Authority for such a project shall  
30 declare by resolution or ordinance that it is desirable for the

1 entire municipality to improve the business district. This  
2 limitation shall also not apply to hospital projects to be  
3 leased to public hospitals or nonprofit hospital corporations  
4 serving the public if each municipality organizing an Authority  
5 for such a project shall declare by resolution or ordinance that  
6 it is desirable for the health and safety of the people in the  
7 area served by such hospital to have such facilities provided by  
8 an Authority. The municipality or municipalities organizing such  
9 an Authority may, in the resolution or ordinance signifying  
10 their intention so to do, or from time to time by subsequent  
11 resolution or ordinance, specify the project or projects to be  
12 undertaken by the said Authority, and no other projects shall be  
13 undertaken by the said Authority than those so specified. If the  
14 municipal authorities organizing an Authority fail to specify  
15 the project or projects to be undertaken, then the Authority  
16 shall be deemed to have all the powers granted by this act.

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18 E. In addition to the other purposes designated by this act,  
19 an Authority may be established to make business improvements or  
20 PROVIDE administrative services in districts designated by the <—  
21 municipality or municipalities acting jointly and zoned  
22 commercial or used for general commercial purposes OR IN <—  
23 CONTIGUOUS AREAS, PROVIDED THE INCLUSION OF A CONTIGUOUS AREA IS  
24 DIRECTLY RELATED TO THE IMPROVEMENTS AND SERVICES PROPOSED BY  
25 THE AUTHORITY.

26 Business improvements means those improvements needed in the  
27 district to the district in general or to specific areas or  
28 individual properties including but not limited to sidewalks,  
29 retaining walls, street paving, street lighting, parking lots,  
30 parking garages, trees and shrubbery, pedestrian walks, sewers,

water lines, rest areas and acquisition and remodeling or  
demolition of blighted buildings or structures. Improvements  
shall not be made to property not acquired BY PURCHASE OR LEASE,  
OTHER THAN THOSE IMPROVEMENTS MADE WITHIN A RIGHT-OF-WAY.

Administrative service means those ~~intangible matters~~  
SERVICES which improve the ability of the commercial activities  
ESTABLISHMENTS of the district to serve the consumer ~~including~~  
~~but not limited to~~ SUCH AS free or reduced free FEE parking for  
customers, transportation repayments, public relations programs,  
group advertising, ~~and uniforms~~ UNIFORM credit policies AND  
DISTRICT MAINTENANCE AND SECURITY SERVICES.

The Authority ~~may~~ SHALL make planning or feasibility studies  
to determine needed improvements or administrative services.  
Written notice of the proposed improvement or service, and the  
estimated cost thereof AND THE PROPOSED METHOD OF ASSESSMENT AND  
PROJECTED COST TO INDIVIDUAL PROPERTY OWNERS shall be given to  
each property owner AND COMMERCIAL LESSEES IN BENEFITED  
PROPERTIES in the district AT LEAST THIRTY DAYS PRIOR TO THE  
PUBLIC HEARING.

The Authority shall be required to hold a public hearing on  
the proposed improvement or service, and the estimated costs  
thereof AND THE PROPOSED METHOD OF ASSESSMENT. Notice of such  
hearing shall be advertised at least ten days prior thereto in a  
newspaper whose circulation is within the municipality where the  
Authority is established. At such public hearing any interested  
party may be heard.

The Authority shall take no further action on any proposed  
improvement or service ~~if objection is made~~ UNTIL THE PROPOSAL,  
INCLUDING THE ESTIMATED COST AND METHOD OF ASSESSMENT, IS  
APPROVED, IN WRITING BY PERSONS REPRESENTING THE OWNERSHIP OF A

1 MAJORITY, IN NUMBERS, OF THE BENEFITED PROPERTIES IN THE  
2 DISTRICT AND BY property owners of the proposed district whose  
3 property valuation as assessed for taxable purposes shall amount  
4 to more than fifty per cent of the total property valuation of  
5 the district. Objections ~~shall~~ MAY be made ~~within twenty days~~ <—  
6 after the conclusion of the public hearing on the proposed  
7 improvement or service. Objections must be in writing, signed  
8 and filed in the office of the ~~prothonotary of the county~~ <—  
9 GOVERNING BODY OF THE MUNICIPALITY in which the district is <—  
10 located and in the registered office of the Authority.  
11 The Authority may impose an assessment on each benefited  
12 property within a business improvement district which shall be  
13 ~~determined by~~ BASED UPON the ~~total~~ ESTIMATED cost of the <—  
14 improvements or services in such district stated in the planning  
15 or feasibility study.  
16 ~~The total cost of the improvements or services in such~~ <—  
17 ~~district shall be assessed to all of the benefited properties in~~  
18 ~~the district by either of the following methods:~~ SUCH INDIVIDUAL <—  
19 ASSESSMENTS SHALL BE DETERMINED BY ONE OF THE FOLLOWING METHODS:  
20 (a) By an assessment determined by multiplying the total  
21 improvement or service cost by the ratio of the assessed value  
22 of the benefited property to the total assessed valuation of all  
23 benefited properties in the district.  
24 (b) By an assessment upon the several properties in the  
25 district in proportion to benefits as ascertained by viewers  
26 appointed in accordance with municipal law.  
27 (c) An assessment allocated according to gross sales or  
28 gross or net profits. ~~or actual benefit.~~ Before any assessments <—  
29 are made, the Authority shall submit the plan, ~~and~~ estimated <—  
30 costs AND THE PROPOSED METHOD OF ASSESSMENT for the business <—

1 improvements to the municipality in which such project is to be  
2 undertaken and the municipality shall have approved the plan,  
3 THE PROPOSED METHOD OF ASSESSMENT and estimated cost. There  
4 shall not be charged against the improved properties an  
5 aggregate amount in excess of the estimated cost.

6 The Authority may by resolution authorize the payment of the  
7 assessment in equal annual, or more frequent installments over  
8 such time and bearing interest at such rate not in excess of six  
9 percent as may be specified in the resolution. Where bonds shall  
10 have been issued and sold, or notes or guarantees given or  
11 issued, to provide for the cost of the improvements or services  
12 the assessment in equal installments for bond repayment shall  
13 not be payable beyond the term for which the bonds, notes or  
14 guarantees are payable.

15 Claims to secure the assessments shall be entered in the  
16 prothonotary's office of the county at the same time and in the  
17 form and shall be collected in the same manner as municipal  
18 claims are filed and collected notwithstanding the provisions of  
19 this section as to installment payments.

20 In the case of default in the payment of any installment and  
21 interest for a period of sixty days after it becomes due, the  
22 entire assessment and accrued interest shall be due.

23 Any owner of property, against whom an assessment has been  
24 made, may pay the same in full, at any time, with accrued  
25 interest and costs thereon, and such payment shall discharge the  
26 lien of such assessment.

27 Section 2. This act shall take effect in 60 days.