

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1252 Session of
1980

INTRODUCED BY LEWIS, FEBRUARY 13, 1980

SENATOR LEWIS, LOCAL GOVERNMENT, RE-REPORTED AS AMENDED, MAY 20,
1980

AN ACT

1 Amending the act of July 31, 1968 (P.L.805, No.247), entitled,
2 as amended, "An act to empower cities of the second class A,
3 and third class, boroughs, incorporated towns, townships of
4 the first and second classes including those within a county
5 of the second class and counties of the second class A
6 through eighth classes, individually or jointly, to plan
7 their development and to govern the same by zoning,
8 subdivision and land development ordinances, planned
9 residential development and other ordinances, by official
10 maps, by the reservation of certain land for future public
11 purpose and by the acquisition of such land; providing for
12 the establishment of planning commissions, planning
13 departments, planning committees and zoning hearing boards,
14 authorizing them to charge fees, make inspections and hold
15 public hearings; providing for appropriations, appeals to
16 courts and penalties for violations; and repealing acts and
17 parts of acts," further providing for financial security for
18 the completion of certain improvements.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. Section 509, act of July 31, 1968 (P.L.805,
22 No.247), known as the "Pennsylvania Municipalities Planning
23 Code," amended June 9, 1978 (P.L.460, No.60), is amended to
24 read:

25 Section 509. Completion of Improvements or Guarantee Thereof

1 Prerequisite to Final Plat Approval.--No plat shall be finally
2 approved unless the streets shown on such plat have been
3 improved to a mud-free or otherwise permanently passable
4 condition, or improved as may be required by the subdivision and
5 land development ordinance and any walkways, curbs, gutters,
6 street lights, fire hydrants, shade trees, water mains, sanitary
7 sewers, storm drains and other improvements as may be required
8 by the subdivision and land development ordinance have been
9 installed in accordance with such ordinance. In lieu of the
10 completion of any improvements required as a condition for the
11 final approval of a plat, the subdivision and land development
12 ordinance shall provide for the deposit with the municipality of
13 a corporate bond, or other financial security [acceptable to the
14 governing body] in an amount sufficient to cover the costs of
15 any ~~dedicated~~ improvements OR COMMON AMENITIES INCLUDING, BUT
16 NOT LIMITED TO, STORM WATER DETENTION OR RETENTION BASINS,
17 RECREATIONAL FACILITIES, OPEN SPACE IMPROVEMENTS, OR BUFFER OR
18 SCREEN PLANTINGS which may be required[, which financial
19 security may include among others, a lending institution letter
20 of credit or a restrictive or escrow account in a lending
21 institution]. Without limitation as to other types of financial
22 security which the municipality may approve, surety bonds,
23 Federal or Commonwealth chartered lending institution letters of
24 credit and restrictive or escrow accounts in such lending
25 institutions shall be deemed acceptable financial security for
26 the purposes of this section. Such financial security shall be
27 posted with a bonding company or Federal or Commonwealth
28 chartered lending institution chosen by the party posting the
29 financial security, provided said bonding company or lending
30 institution is authorized to conduct such business within the

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1 Commonwealth. Such bond, or other security shall provide for,
2 and secure to the public, the completion of any improvements
3 which may be required within one year of the date fixed in the
4 subdivision plat for completion of such improvements. The amount
5 of financial security shall be equal to one hundred ten percent
6 of the cost of the required improvements for which financial
7 security is to be posted. The cost of the improvements shall be
8 established by submission to the governing body or the planning
9 agency of bona fide bid or bids from the contractor or
10 contractors chosen by the party posting the financial security
11 to complete the improvements or, in the absence of such bona
12 fide bids, the costs shall be established by estimate prepared
13 by the municipality's engineer. If the party posting the
14 financial security requires more than one year from the date of
15 posting of the financial security to complete the required
16 improvements, the amount of financial security may be increased
17 by an additional ten percent for each one-year period beyond the
18 first anniversary date from posting of financial security. In
19 the case where development is projected over a period of years,
20 the governing body or the planning agency may authorize
21 submission of final plats by section or stages of development
22 subject to such requirements or guarantees as to improvements in
23 future sections or stages of development as it finds essential
24 for the protection of any finally approved section of the
25 development. As the work of installing the required improvements
26 proceeds, the party posting the financial security may request
27 the governing body to release or authorize the release, from
28 time to time, such portions of the financial security necessary
29 for payment to the contractor or contractors performing the
30 work. Any such requests shall be in writing addressed to the

1 governing body, and the governing body shall have ~~thirty~~ FORTY- <—
2 FIVE days from receipt of such request within which to allow the
3 municipal engineer to certify, in writing, to the governing body
4 that such portion of the work upon the improvements has been
5 completed in accordance with the approved plat. Upon such
6 certification the governing body shall authorize release by the
7 bonding company or lending institution of an amount as estimated
8 by the municipal engineer fairly representing the value of the
9 improvements completed or, if the governing body fails to act
10 within said ~~thirty-day~~ FORTY-FIVE-DAY period, the governing body <—
11 shall be deemed to have approved the release of funds as
12 requested. The ~~authority~~ GOVERNING BODY may, prior to final <—
13 release at the time of completion and certification by its
14 engineer, require retention of ten percent of the estimated cost
15 of the aforesaid improvements. Where the governing body accepts
16 dedication of all or some of the required improvements following
17 completion, the governing body may require the posting of
18 financial security to secure structural integrity of said
19 improvements for a term not to exceed eighteen months from the
20 date of acceptance of dedication. Said financial security shall
21 be of the same type as otherwise required in this section with
22 regard to installation of such improvements, and the amount of
23 the financial security shall not exceed fifteen percent of the
24 actual cost of installation of said improvements. If water mains
25 or sanitary sewer lines, or both, along with apparatus or
26 facilities related thereto, are to be installed under the
27 jurisdiction and pursuant to the rules and regulations of a
28 public utility or municipal authority separate and distinct from
29 the municipality, financial security to assure proper completion
30 and maintenance thereof shall be posted in accordance with the

1 regulations of the controlling public utility or municipal
2 authority and shall not be included within the financial
3 security as otherwise required by this section. If financial
4 security has been provided in lieu of the completion of
5 improvements required as a condition for the final approval of a
6 plat as set forth in this section, the municipality shall not
7 condition the issuance of building, grading, ~~occupancy~~ or other <—
8 permits relating to the erection or placement of improvements,
9 including buildings, upon the lots or land as depicted upon the
10 final plat upon actual completion of the improvements depicted
11 upon the approved final plat. Any ordinance or statute
12 inconsistent herewith is hereby expressly repealed.

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