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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1675 Session of  
1987

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INTRODUCED BY VAN HORNE, MICHLOVIC, MURPHY, DAWIDA, PRESTON AND  
PISTELLA, JULY 2, 1987

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REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, JULY 2, 1987

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AN ACT

1 Amending the act of November 30, 1967 (P.L.658, No.305),  
2 entitled, as amended, "An act authorizing municipal  
3 corporations to designate business improvement districts,  
4 create bonded or other evidences of indebtedness to acquire  
5 and finance improvements in such districts, and assess and  
6 collect special assessments from benefited properties in such  
7 districts," authorizing municipal corporations to finance  
8 services within business improvement districts.

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

11 Section 1. The title and sections 2 and 4 of the act of  
12 November 30, 1967 (P.L.658, No.305), known as the Business  
13 Improvement District Act of 1967, amended July 9, 1976 (P.L.566,  
14 No.137), are amended to read:

15 AN ACT

16 Authorizing municipal corporations to designate business  
17 improvement districts, create bonded or other evidences of  
18 indebtedness to acquire and finance business administrative  
19 services and business improvements in such districts, and  
20 assess and collect special assessments from benefited

1 properties in such districts.

2 Section 2. Powers of Governing Body.--The governing body of  
3 every municipal corporation shall have the power:

4 (1) To establish within the political subdivision an area or  
5 areas designated as a business improvement district which  
6 district or districts may be designated as all or part of any  
7 sector of a community which is zoned commercial or which is used  
8 for general commercial purposes.

9 (2) To appropriate and expend such amounts as may be  
10 necessary for preliminary planning or feasibility studies to  
11 determine needed services and improvements in such districts and  
12 to recommend improvement to individual properties and to provide  
13 where required basic design criteria. Public hearings, shall be  
14 required before passage of the enabling ordinance. At such  
15 public hearings any interested party may be heard. Notice of  
16 such hearings shall be advertised at least ten days prior  
17 thereto in a newspaper circulating in such political  
18 subdivisions. Said ordinance shall specify services and  
19 improvements, with respective costs, to be undertaken. "Costs of  
20 any service and improvement," or "total cost of services and  
21 improvements" as used in this act shall include but not be  
22 limited to the improvements themselves, engineering,  
23 architectural, attorney or other consulting fees, preliminary  
24 planning, feasibility studies, financing costs and all other  
25 costs necessary and incidental to the provision of the service  
26 or services or completion of the improvement or improvements.  
27 Said ordinance shall not become effective if before the  
28 expiration of twenty days after its enactment, property owners  
29 of the proposed district whose property valuation as assessed  
30 for taxable purposes shall amount to more than fifty per cent of

1 the total property valuation of the district, shall sign and  
2 file, in the office of the prothonotary of the court of common  
3 pleas of the county in which the district is located, a written  
4 protest against said ordinance.

5 (3) To appropriate and expend in accordance with the  
6 specific provisions of the enabling ordinance such amounts as  
7 may be required to provide administrative services, that is,  
8 those services which improve the ability of the commercial  
9 establishments of the district to serve the consumer, including,  
10 but not limited to, free or reduced fee parking for customers,  
11 transportation repayments, public relations programs, group  
12 advertising, and district maintenance and security services, or  
13 to acquire by purchase or lease, real or personal property to  
14 effectuate the purposes of the improvement district including  
15 but not limited to sidewalks, retaining walls, street paving,  
16 street lighting, parking lots, parking garages, trees and  
17 shrubbery purchased and planted, pedestrian walks, sewers, water  
18 lines, rest areas, acquisition and remodeling or demolition of  
19 blighted buildings and similar or comparable structures. In no  
20 case shall improvement be made to property which has not been  
21 acquired.

22 (4) To acquire by gift, purchase or eminent domain, land,  
23 real property or right of ways which may be needed for the  
24 purposes of the projected improvements within the district.

25 (5) To issue bonds, notes or guarantees in accordance with  
26 the provisions of general laws authorizing borrowing by cities  
27 of the first class or in accordance with the provisions of the  
28 act of July 12, 1972 (P.L.781, No.185), known as the "Local  
29 Government Unit Debt Act," whichever is applicable in such  
30 amounts and for such periods as may be necessary to finance the

1 projected services or improvements for any district.

2 Section 4. Method of Assessment.--(a) The total cost of the  
3 services or improvements in such district shall be assessed to  
4 all of the benefited properties in the district by either of the  
5 following methods:

6 (1) By an assessment determined by multiplying the total  
7 service and improvement cost by the ratio of the assessed value  
8 of the benefited property to the total assessed valuation of all  
9 benefited properties in the district.

10 (2) By an assessment upon the several properties in the  
11 district in proportion to benefits as ascertained by viewers  
12 appointed in accordance with law.

13 (3) [By] In the case of improvements, by an assessment upon  
14 the several properties in the district abutting on the  
15 improvements, or, where more than one type of improvement is  
16 involved, designated types thereof, by the front-foot method,  
17 with such equitable adjustments for corner properties and other  
18 cases as may be provided for in the assessment ordinance. Any  
19 property which cannot be equitably assessed by the front-foot  
20 method may be assessed by the method provided in clause (2).

21 (b) The governing body may by ordinance authorize the  
22 payment of such assessment in equal annual, or more frequent  
23 installments over such time and bearing interest at such rate as  
24 may be specified in said ordinance provided that where bonds  
25 shall have been issued and sold, or notes or guarantees given or  
26 issued, to provide for the cost of the services and improvements  
27 such assessment in equal installments shall not be payable  
28 beyond the term for which such bonds, notes or guarantees are  
29 payable.

30 (c) Claims to secure the assessments shall be entered in the

1 prothonotary's office of the county at the same time and in the  
2 form and shall be collected in the same manner as municipal  
3 claims are filed and collected except that, where installment  
4 payments are authorized, pursuant to subsection (b), the  
5 ordinance may contain any or all of the following provisions:

6 (1) Notwithstanding the filing of such claims, all  
7 assessments which are made payable in installments shall  
8 constitute liens and encumbrances upon the respective benefited  
9 properties, at the beginning of each calendar year, except as  
10 provided in clause (2), only in an amount equal to the sum of  
11 (i) the annual, or other, installments becoming payable in such  
12 year, with interest and penalties, if any, thereon, and (ii) the  
13 total of all installments, with interest and penalties thereon,  
14 which became due during prior years and which remain due and  
15 unpaid at the beginning of the current year.

16 (2) In the case of default in the payment of any installment  
17 and interest for a period of ninety days after the same shall  
18 become due, the assessment ordinance may provide either for the  
19 entire assessment with accrued interest and penalties to become  
20 due and become a lien from the due date of the installment, or  
21 may provide solely for the enforcement of the claim as to the  
22 overdue installment (with interest and penalties) in which case  
23 the ordinance shall further provide that if any installment or  
24 portion thereof shall remain due and unpaid for one year after  
25 it has become due and payable, then the entire assessment with  
26 accrued interest and penalties shall become due and become a  
27 lien from the due date of the installment.

28 (3) No action taken to enforce a claim for any installment  
29 or installments shall affect the status of any subsequent  
30 installment of the same assessment, each of which shall continue

1 to become a lien upon the property annually pursuant to clause  
2 (1).

3 (4) The ordinance may contain any other provision relating  
4 to installment assessments which is not inconsistent with  
5 applicable law.

6 (d) Any owner of property, against whom an assessment has  
7 been made, may pay the same in full, at any time, with accrued  
8 interest and costs thereon, and such payment shall discharge the  
9 lien of such assessment or installments then constituting a  
10 lien, and also release the claim to any later installments.

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