

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1675

Session of
1987

INTRODUCED BY VAN HORNE, MICHLOVIC, MURPHY, DAWIDA, PRESTON AND
PISTELLA, JULY 1, 1987

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, FEBRUARY 22, 1988

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:

AN ACT

15
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

properties in such districts.

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

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

(2) To appropriate and expend such amounts as may be necessary for preliminary planning or feasibility studies to determine needed services and improvements in such districts and to recommend improvement to individual properties and to provide where required basic design criteria. Public hearings, shall be required before passage of the enabling ordinance. At such public hearings any interested party may be heard. Notice of such hearings shall be advertised at least ten days prior thereto in a newspaper circulating in such political subdivisions. Said ordinance shall specify services and improvements, with respective costs, to be undertaken. "Costs of any service and improvement," or "total cost of services and improvements" as used in this act shall include but not be limited to the improvements themselves, engineering, architectural, attorney or other consulting fees, preliminary planning, feasibility studies, financing costs and all other costs necessary and incidental to the provision of the service or services or completion of the improvement or improvements.

Said ordinance shall not become effective if before the expiration of twenty days after its enactment, property owners of the proposed district whose property valuation as assessed 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 BENEFITING FROM THE SERVICES, or, where more <—
16 than one type of improvement OR SERVICE is involved, designated <—
17 types thereof, by the front-foot method, with such equitable
18 adjustments for corner properties and other cases as may be
19 provided for in the assessment ordinance. Any property which
20 cannot be equitably assessed by the front-foot method may be
21 assessed by the method provided in clause (2).

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

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

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

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

(3) No action taken to enforce a claim for any installment or installments shall affect the status of any subsequent

1 installment of the same assessment, each of which shall continue
2 to become a lien upon the property annually pursuant to clause
3 (1).

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

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

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