

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 300 Session of
2003

INTRODUCED BY DIVEN, FEBRUARY 18, 2003

REFERRED TO COMMITTEE ON URBAN AFFAIRS, FEBRUARY 18, 2003

AN ACT

1 Providing for the remediation of blighted properties in cities
2 of the first and second class.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Blight
7 Remediation Board Act.

8 Section 2. Legislative intent.

9 The purpose of this act is to establish a blight remediation
10 program that would provide affordable housing, improve the
11 quality of life in urban neighborhoods and increase annual
12 reoccurring revenue for school districts and cities of the first
13 and second class without the commitment of future State tax
14 dollars.

15 Section 3. Definitions.

16 The following words and phrases when used in this act shall
17 have the meanings given to them in this section unless the

context clearly indicates otherwise:

"Blighted property." Includes any of the following:

(1) Any premises which, because of physical condition or use, is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the local housing, building, plumbing, fire and related codes.

(2) Any dwelling which, because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the municipality, has been designated by the local agency responsible for enforcement of the code as unfit for human habitation.

(3) Any structure which is a fire hazard or is otherwise dangerous to the safety of persons or property.

(4) Any structure from which the utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed or rendered ineffective so that the property is unfit for its intended use.

(5) Any vacant or unimproved lot or parcel of ground in a predominantly built-up neighborhood which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris or a haven for rodents or other vermin.

(6) Any property which has been tax delinquent for a period of two years.

"Board." The Blight Remediation Board established by this act.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Fund." The Blight Remediation Fund established by this act.

1 "Program." The Blight Remediation Program established by
2 this act.

3 Section 4. Program.

4 (a) Establishment.--The Blight Remediation Program is hereby
5 established within the department.

6 (b) Transfer of capital budget moneys.--Immediately
7 following the deposit of capital budget moneys into the fund
8 pursuant to section 8, \$75,000,000 of the moneys shall be
9 transferred to the city of the first class and \$35,000,000 of
10 the moneys shall be transferred to the city of the second class
11 for expenditure pursuant to the purposes set forth in subsection
12 (c).

13 (c) Use of transferred moneys.--The city of the first class
14 and the city of the second class shall utilize the transferred
15 moneys to purchase blighted property within their respective
16 jurisdictions for inclusion in the program. Purchase may be
17 effected by outright purchase, eminent domain, purchase at tax
18 sale or by any other means available. Moneys may be utilized to
19 defray all costs and expenses associated with obtaining good
20 marketable title to the blighted properties, including, but not
21 limited to, the satisfaction of liens and other claims, attorney
22 fees and all other costs incurred to acquire such properties.

23 (d) Conveyance of purchased property to department.--Within
24 nine months of the effective date of this act, the city of the
25 first class and the city of the second class shall each submit a
26 list of properties acquired pursuant to subsection (c) to the
27 board. Such list shall also include information specifying the
28 amount expended to purchase and clear title to each property,
29 the exact location of each property and such other information
30 deemed warranted by the board. Following board review of these

1 lists and the accompanying information pursuant to section 6,
2 all properties on the list that have been approved by the board
3 for program inclusion shall be conveyed by each city in fee
4 simple to the Commonwealth.

5 (e) Development of conveyed property.--Capital budget moneys
6 in the amount of \$25,000,000 with respect to the city of the
7 first class and \$15,000,000 with respect to the city of the
8 second class shall be utilized by the board in site preparation
9 of the conveyed properties. These moneys may be used to cover
10 costs in razing and clearing dilapidated buildings and in the
11 installation of necessary infrastructure, including sewer, water
12 and other utilities.

13 (f) Tax abatement programs.--Properties qualifying for this
14 program are not eligible for any tax abatement program.

15 Section 5. Board.

16 (a) Establishment.--The Blight Remediation Board is hereby
17 established with the department and shall administer the
18 program.

19 (b) Composition.--The board shall be composed of a governing
20 board composed of three members appointed by the Governor; one
21 shall have expertise in the area of real estate appraisal and
22 finance, one shall have expertise in the area of urban
23 redevelopment and economic development, and one shall have
24 expertise in general business practices and marketing.

25 (c) Term; vacancies.--The term of a board member shall begin
26 on the date of appointment. A member's term shall be coterminous
27 with that of his or her appointing authority, provided that the
28 member's term shall continue until his or her replacement is
29 appointed. Board members shall serve at the pleasure of the
30 appointing authority. Whenever a vacancy occurs on the board,

1 whether prior to or on the expiration of a term, the appointing
2 authority who originally appointed the board member whose seat
3 has become vacant shall appoint a successor member within 30
4 days of the vacancy. A member appointed to fill a vacancy
5 occurring prior to the expiration of a term shall serve the
6 unexpired term.

7 (d) Meetings.--The board shall meet as frequently as it
8 deems appropriate but at least once during each quarter of the
9 fiscal year. In addition, a meeting of the board shall be called
10 by the chairperson if a request for a meeting is submitted to
11 the chairperson by at least two members of the board. A majority
12 of the board shall constitute a quorum for the purpose of
13 conducting the business of the board and for all other purposes.
14 All actions of the board shall be taken by a majority of the
15 board unless specific provisions of this act require that action
16 be taken by a qualified majority. The provisions of 65 Pa.C.S.
17 Ch. 7 (relating to open meetings) shall apply to the board.

18 (e) Expenses.--A member shall not receive compensation or
19 remuneration, but shall be entitled to reimbursement for all
20 reasonable and necessary actual expenses.

21 (f) Public officials and party officers.--Members of the
22 board shall not seek or hold a position as any other public
23 official within this Commonwealth or as a party officer while in
24 service. Members of the board shall not seek election as public
25 officials or party officers for one year after their service on
26 the board. Members of the board may serve as appointive public
27 officials any time after their periods of service on the board.
28 Section 6. Powers and duties of board.

29 (a) Review of property lists.--Upon receipt of the lists of
30 blighted properties purchased by the first and second class

1 cities pursuant to section 4(d), the board shall review the
2 lists to ascertain that each property is in a position to be
3 conveyed to the Commonwealth with a good marketable title and
4 free of all liens and claims. No property shall be approved for
5 conveyance and program inclusion if it is determined that there
6 exists a title problem of any sort or any environmental or other
7 type of site problem that carries the potential for owner
8 liability. The Commonwealth shall be held harmless for any title
9 problem or environmental problem. These are the sole
10 responsibility of the city.

11 (b) Acceptance of conveyed property.--Once the board has
12 conducted the review prescribed in subsection (a), it shall
13 notify each city of the properties the board will accept for
14 program inclusion. The conveyance from the cities shall then
15 occur.

16 (c) Agreement.--At the time of conveyance, each city and the
17 board shall execute a separate agreement that sets forth the
18 responsibilities and duties of each party under the program. In
19 such agreements, the board shall obligate itself to undertake
20 site demolition and clearing work and the installation of
21 necessary infrastructure and to ultimately convey the property
22 to other entities, including private developers, for
23 development. Each city, county and school district shall agree
24 to repay the capital budget moneys forwarded pursuant to this
25 program by dedicating 50% of the amount of city, county and
26 school district real estate taxes levied from these properties
27 to the repayment effort.

28 (d) Site development on conveyed property.--The board,
29 utilizing \$25,000,000 in capital budget moneys in the case of
30 the first class city and \$15,000,000 in the case of the second

1 class city, shall perform the work as stated in subsection (c).

2 (e) Request for proposals.--Simultaneously with the
3 undertaking of the preliminary site development called for in
4 subsection (d), the board shall advertise for development
5 proposals from public and private development entities,
6 including, but not limited to, redevelopment authorities,
7 housing authorities and private developers. The board shall
8 promulgate regulations regarding the criteria to be used in
9 reviewing the proposals received. The promulgation of these
10 regulations shall not be subject to the provisions of the act of
11 June 25, 1982 (P.L.633, No.181), known as the Regulatory Review
12 Act.

13 (f) Selection of developers.--Upon review of the proposals
14 received pursuant to subsection (e), the board is authorized to
15 convey a property or groups of properties to a given developer
16 for development. The conveyances shall occur for the
17 consideration of \$1 per property. Simultaneously with the
18 conveyance, a separate agreement shall be executed in which the
19 developer agrees to develop the property within a given period
20 of time and pursuant to the specific development standards, all
21 of which shall be detailed in regulations promulgated by the
22 department. Promulgation of the regulations shall not be subject
23 to the provisions of the Regulatory Review Act. Among other
24 things, the regulations shall provide for reversion of title to
25 the Commonwealth in the event the contract terms are breached by
26 the developer.

27 Section 7. Fund.

28 (a) Establishment.--The Blight Remediation Fund is hereby
29 established in the State Treasury. All money in the fund is
30 hereby appropriated to the department on a continuing basis to

1 carry out the provisions of this act.

2 (b) Administration.--The assets of the fund shall be
3 preserved, invested and expended solely pursuant to and for the
4 purposes set forth in this act.

5 Section 8. Funding.

6 Up to \$150,000,000 of the net proceeds of the sale of
7 obligations authorized in a capital budget act for the purposes
8 of blight remediation is hereby appropriated to the Department
9 of Community and Economic Development for deposit into the fund
10 established and to be used to implement the provisions of this
11 act. To the extent moneys from this appropriation are expended
12 pursuant to this act, the moneys shall be repaid, without
13 interest, to the Commonwealth as soon as practicable pursuant to
14 section 9.

15 Section 9. Repayment of funds.

16 (a) Repayment.--Each city shall be responsible for the
17 repayment of all Commonwealth funding it received directly
18 pursuant to section 4(b), as well as the funds expended on its
19 behalf by the board pursuant to section 6(d), within 20 years of
20 the calendar year in which the expenditures were made. The board
21 shall advise each city of the year by which all repayments are
22 to be made.

23 (b) Sources of repayment.--Repayment shall be made from any
24 sources available to the respective cities, including positive
25 city and school district real estate tax increments generated on
26 the properties rehabilitated pursuant to the program. Each city
27 shall determine the aggregate value of the property approved for
28 and included in the program as of the calendar year in which
29 funds are made available to the cities under section 4(c), which
30 aggregate valuation shall constitute the tax increment base.

1 With respect to each city, in any year in which its debt remains
2 unpaid, at least 50% of any positive tax increment generated in
3 that year shall be utilized to make payment toward the
4 outstanding debt.

5 Section 10. Effective date.

6 This act shall take effect immediately.