

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1426 Session of  
2003

INTRODUCED BY KELLER, TIGUE, LEDERER, CAPPELLI, COSTA,  
HENNESSEY, HORSEY, JOSEPHS, LAUGHLIN, LEACH, MCGEEHAN,  
McNAUGHTON, PRESTON, RUFFING, SOLOBAY, THOMAS, WATSON,  
YOUNGBLOOD AND YUDICHAK, MAY 12, 2003

REFERRED TO COMMITTEE ON URBAN AFFAIRS, MAY 12, 2003

AN ACT

1 Amending the act of May 24, 1945 (P.L.991, No.385), entitled "An  
2 act to promote elimination of blighted areas and supply  
3 sanitary housing in areas throughout the Commonwealth; by  
4 declaring acquisition, sound replanning and redevelopment of  
5 such areas to be for the promotion of health, safety,  
6 convenience and welfare; creating public bodies corporate and  
7 politic to be known as Redevelopment Authorities; authorizing  
8 them to engage in the elimination of blighted areas and to  
9 plan and contract with private, corporate or governmental  
10 redevelopers for their redevelopment; providing for the  
11 organization of such authorities; defining and providing for  
12 the exercise of their powers and duties, including the  
13 acquisition of property by purchase, gift or eminent domain;  
14 the leasing and selling of property, including borrowing  
15 money, issuing bonds and other obligations, and giving  
16 security therefor; restricting the interest of members and  
17 employes of authorities; providing for notice and hearing;  
18 supplying certain mandatory provisions to be inserted in  
19 contracts with redevelopers; prescribing the remedies of  
20 obligees of redevelopment authorities; conferring certain  
21 duties upon local planning commissions, the governing bodies  
22 of cities and counties, and on certain State officers, boards  
23 and departments," further providing for provisions of the  
24 redevelopment contract; and making repeals.

25 The General Assembly of the Commonwealth of Pennsylvania  
26 hereby enacts as follows:

27 Section 1. Section 11 of the act of May 24, 1945 (P.L.991,  
28 No.385), known as the Urban Redevelopment Law, amended October

1 2, 2002 (P.L.796, No.113), is amended to read:

2 Section 11. Provisions of the Redevelopment Contract.--

3 (a) The contract between the Authority and a redeveloper  
4 shall contain, without being limited to, the following  
5 provisions:

6 (1) A legal description of the redevelopment area covered by  
7 the contract, and a covenant running with land to the effect  
8 that no person shall be deprived of the right to live in the  
9 redevelopment project, or to use any of the facilities therein  
10 by reason of race, creed, color or national origin, and such  
11 other easements, or other rights as are to be reserved therein  
12 by the Authority;

13 (2) Plans and such other documents as may be required to  
14 show the type, material, structure and general character of the  
15 redevelopment project;

16 (3) A statement of the use intended for each part of the  
17 project;

18 (4) A guaranty of completion of the redevelopment project  
19 within specified time limits which guaranty shall include  
20 provisions for the forfeiture of title, in such form and manner  
21 as the Authority may prescribe, in the event that the project is  
22 not completed timely;

23 (4-1) A requirement that every prime contract for  
24 construction, installation, alteration, repair of, or addition  
25 to, the redevelopment project, where the estimated cost shall  
26 exceed \$10,000.00, shall contain a provision obligating the  
27 prime contractor to the prompt payment of all material  
28 furnished, labor supplied or performed, rental for equipment  
29 employed, and services rendered by public utilities in or in  
30 connection with the prosecution of the work, whether or not, the

1 said material, labor, equipment and services enter into and  
2 become component parts of the work or improvement contemplated.  
3 Such provision shall be deemed to be included for the benefit of  
4 every person, co-partnership, association or corporation, who as  
5 subcontractor, or otherwise, has furnished material, supplied or  
6 performed labor, rented equipment, or supplied services in or in  
7 connection with the prosecution of the work as aforesaid, and  
8 the inclusion thereof in any contract shall preclude the filing  
9 by any such person, co-partnership, association or corporation  
10 of any mechanics' lien claim for such material, labor or rental  
11 of equipment, and further requiring that the [contractor shall  
12 give to the redeveloper an appropriate bond] redeveloper shall  
13 provide to the Authority evidence of financial security for the  
14 prompt payment by the prime contractor for materials, supplies,  
15 labor, services and equipment. Such financial security shall  
16 equal 100% of the contract amount and may include, but not be  
17 limited to, an appropriate bond from a surety company authorized  
18 to do business in this Commonwealth, an irrevocable letter of  
19 credit from a Federal or Commonwealth Chartered Lending  
20 Institution and/or a restrictive or escrow account, and shall be  
21 in such form as the Authority may prescribe;

22 (5) A provision that the redeveloper shall be without power  
23 to sell, lease or otherwise transfer the redevelopment area, or  
24 project, or any part thereof, without the prior written consent  
25 of the Authority, until the Authority shall have certified in  
26 writing that the redevelopment project has been completed;

27 (5-1) For all projects in which the estimated construction  
28 costs exceed \$1,000,000.00, a requirement that the redeveloper  
29 shall provide to the Authority, and shall cause each prime  
30 contractor to provide or submit to, a project cost certification

performed by one or more independent, third-party certified public accountants establishing the actual total construction costs incurred and paid by the redeveloper and each prime contractor in connection with the redevelopment project. The receipt of the construction cost certification shall be a condition for receiving a certificate of completion;

(6) The amount of the consideration to be paid by the redeveloper to the Authority;

(7) Adequate safeguards for proper maintenance of all parts of the project;

(8) Prohibition against discrimination in the use, sale or lease of any part of the project against any person because of race, color, religion or national origin;

(9) Such other continuing controls as may be deemed necessary to effectuate the purposes of this act;

(b) Any deed or lease to a redeveloper in furtherance of a redevelopment contract shall be executed in the name of the Authority, by its proper officers, and shall contain in addition to all other provisions, such provisions as the Authority may deem desirable to run with the land in order to effectuate the purposes of this act;

(c) Any lease to a redeveloper may provide that all improvements shall become the property of the Authority. The execution of such a lease shall not in itself impose upon the Authority any liability for or by reason of the financing, construction, management or operation of any redevelopment project.

Section 2. All rights, duties and obligations arising under any redevelopment contract awarded by an Authority prior to the effective date of this act shall continue to be governed by the

1 provisions of the law in effect at the time of such award.

2 Section 3. (a) The following acts and parts of acts are  
3 repealed:

4 Section 8(1) of the act of December 30, 2002 (P.L.2001,  
5 No.230), entitled "An act amending Title 53 (Municipalities  
6 Generally) of the Pennsylvania Consolidated Statutes, providing  
7 for acceptance of gifts or donations; further providing for  
8 powers and duties of the Municipal Police Officers' Education  
9 and Training Commission; prohibiting political activity by  
10 municipal police officers; further providing, in parking  
11 authorities, for definitions, for purposes and powers and for  
12 special provisions for authorities in first class cities;  
13 providing, in parking authorities in first class cities, for  
14 additional special provisions, for management of authority  
15 funds, for special funds, for bonds, for contracts with  
16 authority obligees, for Commonwealth pledges, for bond and trust  
17 indentures, for funds collected, for bonds as legal investments,  
18 for pledge validity, for security interests in funds and  
19 accounts and for bankruptcy limitations; further providing for  
20 municipal authority governing bodies and money; providing for  
21 regulation of taxicabs and limousines in first class cities;  
22 further providing for governing body of municipal authorities  
23 and for certain fiscal reporting; codifying the act of June 27,  
24 1986 (P.L.267, No.70), known as the Pennsylvania Convention  
25 Center Authority Act; defining "expansion or substantial  
26 renovation"; further providing for purposes and powers and for  
27 capital and operating budgets; providing for expansion funding;  
28 further providing for governing board, for moneys of the  
29 authority, for award of contracts, for interests of public  
30 officers and for rental tax; making an appropriation; and making

1    repeals."

2        53 Pa.C.S. Ch. 58.

3        (b) The act of December 20, 1967 (P.L.869, No.385), known as  
4    the Public Works Contractors' Bond Law of 1967, is repealed  
5    insofar as it is inconsistent with this act.

6        Section 4. This act shall take effect immediately.