

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

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 11, 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 employees 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,

1 No.385), known as the Urban Redevelopment Law, amended October
2 2, 2002 (P.L.796, No.113), is amended to read:

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

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

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

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

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

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

24 (4-1) A requirement that every prime contract for
25 construction, installation, alteration, repair of, or addition
26 to, the redevelopment project, where the estimated cost shall
27 exceed \$10,000.00, shall contain a provision obligating the
28 prime contractor to the prompt payment of all material
29 furnished, labor supplied or performed, rental for equipment
30 employed, and services rendered by public utilities in or in

1 connection with the prosecution of the work, whether or not, the
2 said material, labor, equipment and services enter into and
3 become component parts of the work or improvement contemplated.
4 Such provision shall be deemed to be included for the benefit of
5 every person, co-partnership, association or corporation, who as
6 subcontractor, or otherwise, has furnished material, supplied or
7 performed labor, rented equipment, or supplied services in or in
8 connection with the prosecution of the work as aforesaid, and
9 the inclusion thereof in any contract shall preclude the filing
10 by any such person, co-partnership, association or corporation
11 of any mechanics' lien claim for such material, labor or rental
12 of equipment, and further requiring that the [contractor shall
13 give to the redeveloper an appropriate bond] redeveloper shall
14 provide to the Authority evidence of financial security for the
15 prompt payment by the prime contractor for materials, supplies,
16 labor, services and equipment. <—
17 Such financial security shall
18 equal 100% of the contract amount and may include, but not be
19 limited to, an appropriate bond from a surety company authorized
20 to do business in this Commonwealth, an irrevocable letter of
21 credit from a Federal or Commonwealth Chartered Lending
22 Institution and/or a restrictive or escrow account, and shall be <—
23 in such form as the Authority may prescribe; [IN SUCH FORM AS
24 THE AUTHORITY MAY PRESCRIBE;]. SUCH FINANCIAL SECURITY SHALL
25 EQUAL 100% OF THE CONTRACT AMOUNT, SHALL BE IN SUCH FORM AS THE
26 AUTHORITY MAY PRESCRIBE AND MAY INCLUDE, BUT NOT BE LIMITED TO,
27 ANY ONE OR A COMBINATION OF THE FOLLOWING:

28 (I) AN APPROPRIATE BOND FROM A SURETY COMPANY AUTHORIZED TO
29 DO BUSINESS IN THIS COMMONWEALTH;
30 (II) AN IRREVOCABLE LETTER OF CREDIT FROM A FEDERAL OR
COMMONWEALTH-CHARTERED LENDING INSTITUTION; OR

1 (III) A RESTRICTIVE OR ESCROW ACCOUNT;

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

7 (5-1) For all projects in which the estimated construction
8 costs exceed \$1,000,000.00, a requirement that the redeveloper
9 shall provide to the Authority, and shall cause each prime
10 contractor to provide or submit to, a project cost certification
11 performed by one or more independent, third-party certified
12 public accountants establishing the actual total construction
13 costs incurred and paid by the redeveloper and each prime
14 contractor in connection with the redevelopment project. The
15 receipt of the construction cost certification shall be a
16 condition for receiving a certificate of completion;

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

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

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

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

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

1 purposes of this act;

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

8 Section 2. All rights, duties and obligations arising under
9 any redevelopment contract awarded by an Authority prior to the
10 effective date of this act shall continue to be governed by the
11 provisions of the law in effect at the time of such award.

12 ~~Section 3. (a) The following acts and parts of acts are~~ <—
13 ~~repealed:~~

14 ~~Section 8(1) of the act of December 30, 2002 (P.L.2001,~~
15 ~~No.230), entitled "An act amending Title 53 (Municipalities~~
16 ~~Generally) of the Pennsylvania Consolidated Statutes, providing~~
17 ~~for acceptance of gifts or donations; further providing for~~
18 ~~powers and duties of the Municipal Police Officers' Education~~
19 ~~and Training Commission; prohibiting political activity by~~
20 ~~municipal police officers; further providing, in parking~~
21 ~~authorities, for definitions, for purposes and powers and for~~
22 ~~special provisions for authorities in first class cities;~~
23 ~~providing, in parking authorities in first class cities, for~~
24 ~~additional special provisions, for management of authority~~
25 ~~funds, for special funds, for bonds, for contracts with~~
26 ~~authority obligees, for Commonwealth pledges, for bond and trust~~
27 ~~indentures, for funds collected, for bonds as legal investments,~~
28 ~~for pledge validity, for security interests in funds and~~
29 ~~accounts and for bankruptcy limitations; further providing for~~
30 ~~municipal authority governing bodies and money; providing for~~

1 ~~regulation of taxicabs and limousines in first class cities;~~
2 ~~further providing for governing body of municipal authorities~~
3 ~~and for certain fiscal reporting; codifying the act of June 27,~~
4 ~~1986 (P.L.267, No.70), known as the Pennsylvania Convention~~
5 ~~Center Authority Act; defining "expansion or substantial~~
6 ~~renovation"; further providing for purposes and powers and for~~
7 ~~capital and operating budgets; providing for expansion funding;~~
8 ~~further providing for governing board, for moneys of the~~
9 ~~authority, for award of contracts, for interests of public~~
10 ~~officers and for rental tax; making an appropriation; and making~~
11 ~~repeals."~~

12 ~~53 Pa.C.S. Ch. 58.~~

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

16 SECTION 3. THE FOLLOWING ACTS AND PARTS OF ACTS ARE REPEALED <—
17 TO THE EXTENT SPECIFIED:

18 ACT OF DECEMBER 20, 1967 (P.L.869, NO.385), KNOWN AS THE
19 PUBLIC WORKS CONTRACTORS' BOND LAW OF 1967, INsofar AS IT IS
20 INCONSISTENT WITH THIS ACT.

21 53 PA.C.S. CH. 58, ABSOLUTELY.

22 Section 4. This act shall take effect immediately.