

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 750 Session of  
2017

---

INTRODUCED BY MURT, BOBACK, D. COSTA, DEASY, DONATUCCI,  
DRISCOLL, FREEMAN, JAMES, LONGIETTI, MATZIE, MENTZER,  
MILLARD, PEIFER, ROZZI AND SCHWEYER, MARCH 7, 2017

---

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,  
MARCH 7, 2017

---

AN ACT

1 Providing for the establishment of the Historic Preservation  
2 Incentive Grant Program for historic commercial and  
3 residential sites.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Historic  
8 Preservation Incentive Grant Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Applicant." A commercial applicant or a residential  
14 applicant.

15 "Commercial applicant." A natural person, corporation,  
16 foundation, organization, business trust, estate, limited  
17 liability company, licensed corporation, trust, partnership,

1 limited liability partnership, association or any other form of  
2 legal business entity that owns an eligible commercial property.

3 "Commission." The Pennsylvania Historical and Museum  
4 Commission.

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

7 "Eligible building improvements." Exterior rehabilitation or  
8 restoration work performed on an eligible commercial property or  
9 an eligible residential property, including work involving  
10 windows, consistent with the Standards for Rehabilitation of the  
11 Secretary of the Interior.

12 "Eligible commercial property." A building used or zoned to  
13 be used for income-producing purposes that is listed on the  
14 National Register of Historic Places, is a contributing property  
15 in a National Register historic district or is located in a  
16 local government historic district. The term includes a building  
17 used or zoned to be used for commercial purposes that is also  
18 used for residential purposes. The term also includes for-sale  
19 condominium projects.

20 "Eligible property." An eligible commercial property or an  
21 eligible residential property.

22 "Eligible residential property." A single-family dwelling or  
23 a building that:

24 (1) is a single-family dwelling used as the owner's  
25 principal residence or is a building that is divided into no  
26 more than four residential units, one of which is used as the  
27 owner's principal residence;

28 (2) is owned by one or more natural persons; and

29 (3) either:

30 (i) is listed on the National Register of Historic

1 Places or is a contributing property in a National  
2 Register historic district; or  
3 (ii) is located in a local government historic  
4 district.

5 "Elm Street area." A geographically defined portion of a  
6 municipality that has been designated as an Elm Street area by  
7 the Department of Community and Economic Development in  
8 accordance with the terms and conditions of the act of February  
9 9, 2004 (P.L.61, No.7), known as the Elm Street Program Act. The  
10 term includes an area that has exited the official program but  
11 still has a program functioning to revitalize the designated  
12 areas pursuant to the department's program guidelines.

13 "Enterprise zone." A geographic area designated by the  
14 Department of Community and Economic Development as an  
15 enterprise zone. The term includes an area that has exited the  
16 official program but still has a program functioning to  
17 revitalize the designated areas pursuant to the department's  
18 program guidelines.

19 "Historic district." A local government historic district or  
20 an area in this Commonwealth that has been designated as a  
21 historic district under the National Historic Preservation Act  
22 (Public Law 89-665, 80 Stat. 915).

23 "Local government historic district." A historic district  
24 designated by any of the following:

25 (1) Section 2 of the act of June 13, 1961 (P.L.282,  
26 No.167), entitled "An act authorizing counties, cities,  
27 boroughs, incorporated towns and townships to create historic  
28 districts within their geographic boundaries; providing for  
29 the appointment of Boards of Historical Architectural Review;  
30 empowering governing bodies of political subdivisions to

1 protect the distinctive historical character of these  
2 districts and to regulate the erection, reconstruction,  
3 alteration, restoration, demolition or razing of buildings  
4 within the historic districts."

5 (2) The Historic Preservation Ordinance, Section 14-  
6 2007, of the Philadelphia City Code.

7 (3) Title 11 of the Pittsburgh City Code, Chapter 1,  
8 Section 3, as amended by City Council on July 22, 1997.

9 (4) The City of Scranton under the City of Scranton  
10 Commission for Architectural and Urban Design Review  
11 ordinance.

12 "Main Street community." A geographic area designated as a  
13 Main Street community by the Department of Community and  
14 Economic Development. The term includes an area that has exited  
15 the official program but still has a program functioning to  
16 revitalize the designated areas pursuant to the department's  
17 program guidelines.

18 "National Register." The National Register of Historic  
19 Places established under section 101 of the National Historic  
20 Preservation Act (Public Law 89-665, 80 Stat. 915).

21 "Residential applicant." One or more natural persons who own  
22 an eligible residential property.

23 "Standards." The Secretary of the Interior's Standards for  
24 the Treatment of Historic Properties, excluding reconstruction,  
25 set forth at 36 CFR 67.7 (relating to standards for  
26 rehabilitation).

27 Section 3. Program.

28 (a) Establishment.--There is established a program in the  
29 department to be known as the Historic Preservation Incentive  
30 Grant Program. The program shall provide grants to owners of

1 eligible properties located within this Commonwealth that  
2 undertake eligible building improvements.

3 (b) Application.--An applicant must submit an application to  
4 the department requesting a grant for the reimbursement of costs  
5 associated with eligible building improvements to an eligible  
6 property owned by the applicant. The application must be  
7 submitted on a form developed by the department in consultation  
8 with the commission and must include all of the following:

9 (1) The name and address of the applicant.

10 (2) The location of the property.

11 (3) Proof of ownership of the property by the applicant.

12 The applicant may satisfy this requirement by providing  
13 evidence satisfactory to the department that the applicant  
14 will own the property at some point in time following  
15 submission of the application and has sufficient control of  
16 the property at the time of submission to perform the work  
17 described in the application.

18 (4) A description of the property providing sufficient  
19 information to establish that the property meets the criteria  
20 for either an eligible commercial property or an eligible  
21 residential property, including information specified in the  
22 commission's guidelines.

23 (5) A detailed description of the proposed work to be  
24 performed, including plans, drawings and specifications as  
25 appropriate.

26 (6) A detailed estimate of the cost of the work to be  
27 performed.

28 (7) Proof that the applicant is current with respect to  
29 the payment of all real estate taxes assessed against the  
30 property or evidence that the applicant is contesting the

1 taxes in good faith and has set aside sums to cover any tax  
2 liability in the event the contest fails.

3 (8) Evidence of the source of matching funds to be  
4 utilized for the project. If the source of matching funds is  
5 a loan from a financial institution, the applicant must  
6 provide a copy of the loan application and commitment or  
7 other evidence satisfactory to the department of the  
8 applicant's ability to obtain the necessary financing.

9 (9) Any other information required by the department or  
10 the commission.

11 (c) Review and recommendation by commission.--The department  
12 shall forward the application to the commission for review. If  
13 the commission determines that the property qualifies as an  
14 eligible property and that the proposed improvements would  
15 qualify as eligible building improvements, then the commission  
16 may recommend approval of the property for the program and shall  
17 notify the department of the recommendation within 45 days  
18 following receipt of a completed application by the commission.

19 (d) Award of grant by department.--Upon receipt of the  
20 commission's recommendation for approval as provided in  
21 subsection (c), the department may award the applicant a grant  
22 and shall notify the applicant and the commission of its action.

23 (e) Certification and disbursement.--Following completion of  
24 the work, the applicant must file a certification with the  
25 commission stating that the work has been completed. The  
26 certification must be accompanied by photographs showing the  
27 completed project, evidence of the actual expenditures made by  
28 the applicant and evidence, in the form of a letter or letters  
29 from local code enforcement officials, that the property, as  
30 improved, complies with all local building, fire, safety and

1 health codes. The commission shall complete review of the  
2 certification within 90 days of receipt of the certification by  
3 the commission. The commission may request additional  
4 information and conduct a site inspection as the commission  
5 deems necessary to determine compliance with the requirements of  
6 the program established by this act. If the commission is  
7 satisfied with the certification submitted, the commission shall  
8 notify the department of the approved eligible building  
9 improvements. The department shall calculate the amount of the  
10 grant and disburse the grant funds to the applicant.

11 (f) Agreement.--The department is not required to enter into  
12 a grant agreement with the applicant prior to awarding and  
13 disbursing a grant.

14 (g) Special rules relating to eligible residential  
15 properties.--An application for a grant for eligible building  
16 improvements for an eligible residential property must include  
17 one of the following statements from the applicant:

18 (1) That the applicant has owned the eligible  
19 residential property for at least five years prior to the  
20 date of submission of the application.

21 (2) That the applicant has owned the eligible  
22 residential property for less than five years prior to the  
23 date of submission of the application but agrees to continue  
24 to own the property for a total of at least five years.

25 Section 4. Exemption from State taxes.

26 Grant amounts awarded by the department for eligible  
27 residential properties may not be considered income to the  
28 applicant under section 303 of the act of March 4, 1971 (P.L.6,  
29 No.2), known as the Tax Reform Code of 1971.

30 Section 5. Allocation of grant funds; limitations; priorities.

1 (a) Source.--Funds for this program shall be provided to the  
2 department from funds authorized for this purpose.

3 (b) Proration.--If the total amount of grants to be awarded  
4 exceeds the amount of funds available for the program in any  
5 year, the amount of grants may be prorated among the successful  
6 applicants.

7 (c) Minimum.--At least 31% of the funds available in any  
8 year shall be reserved by the department for grants to  
9 successful residential applicants. If reserved funds are more  
10 than are needed to satisfy the total amount of those grants  
11 awarded in any year, the department may utilize the excess funds  
12 for grants to successful commercial applicants.

13 (d) Limitations.--

14 (1) Subject to the other limitations set forth in this  
15 subsection, a grant awarded to a successful applicant may not  
16 be more than 70% of the total amount of expenditures made for  
17 eligible building improvements.

18 (2) In no event shall any grant be awarded unless:

19 (i) the applicant is current with respect to all  
20 local real estate taxes assessed against the applicant's  
21 eligible property; or

22 (ii) the applicant, in good faith, is contesting  
23 local real estate taxes assessed against the applicant's  
24 eligible property, provides the department with evidence  
25 of the contest and has set aside sums to cover any tax  
26 liability in the event the contest fails.

27 (3) Up to \$15,000 may be awarded to a residential  
28 applicant in connection with a single project and up to  
29 \$500,000 may be awarded to a commercial applicant in  
30 connection with a single project.



1           (4) In order to receive money from a grant, the  
2 applicant must complete the project being funded by the grant  
3 within two years of receipt of notification from the  
4 department of the award.

5           (e) Priorities.--Priority may be given to properties located  
6 in Elm Street areas, Main Street communities, enterprise zones  
7 and local government historic districts. In addition, the  
8 department shall take into account geographical distribution of  
9 grants in making awards.

10 Section 6. Administration.

11           (a) Guidelines.--The department and the commission shall  
12 develop guidelines for the implementation of the program  
13 established by this act.

14           (b) Expenditures.--The department may utilize up to an  
15 aggregate of 3% of the funds available for the program annually,  
16 not to exceed \$500,000, as allocated by the Governor, for  
17 expenses incurred in administering the program established by  
18 this act. The department and the commission shall enter into an  
19 agreement for the payment to the commission of a portion of sums  
20 for expenses incurred by the commission.

21 Section 7. Repayment.

22           The department, at its discretion, shall be entitled to a  
23 return of all grant funds paid to the applicant if, within five  
24 years following completion of the project, either of the  
25 following occur:

26           (1) The owner of the eligible property makes  
27 improvements to the exterior of the property that do not meet  
28 the standards.

29           (2) The eligible property is removed from the National  
30 Register, either individually or as a contributing building

1       within a historic district, whether or not as a result of the  
2       owner making improvements to the exterior of the property  
3       that do not meet the standards.

4           (3) The eligible residential property is transferred in  
5       violation of the agreement made by the owner under the  
6       provisions of section 3(g)(2), if applicable, unless the  
7       transfer occurs as a result of the death of the owner or is  
8       otherwise involuntary.

9       Section 8. Effective date.

10       This act shall take effect in 120 days.