

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1347 Session of 2023

INTRODUCED BY HOGAN, T. DAVIS, CEPEDA-FREYTIZ, CIRESI, HADDOCK, KHAN, NEILSON, SANCHEZ AND TWARDZIK, JUNE 7, 2023

AS REPORTED FROM COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 31, 2023

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
2 "An act relating to the finances of the State government;
3 providing for cancer control, prevention and research, for
4 ambulatory surgical center data collection, for the Joint
5 Underwriting Association, for entertainment business
6 financial management firms, for private dam financial
7 assurance and for reinstatement of item vetoes; providing for
8 the settlement, assessment, collection, and lien of taxes,
9 bonus, and all other accounts due the Commonwealth, the
10 collection and recovery of fees and other money or property
11 due or belonging to the Commonwealth, or any agency thereof,
12 including escheated property and the proceeds of its sale,
13 the custody and disbursement or other disposition of funds
14 and securities belonging to or in the possession of the
15 Commonwealth, and the settlement of claims against the
16 Commonwealth, the resettlement of accounts and appeals to the
17 courts, refunds of moneys erroneously paid to the
18 Commonwealth, auditing the accounts of the Commonwealth and
19 all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or
33 other moneys to the Commonwealth, or any agency thereof,

1 every State depository and every debtor or creditor of the
2 Commonwealth," establishing the Redevelopment Authority
3 Startup Loan Program and the Redevelopment Authority Startup
4 Fund.

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

7 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
8 as The Fiscal Code, is amended by adding an article to read:

9 ARTICLE XVI-U

10 REDEVELOPMENT AUTHORITY STARTUP LOAN PROGRAM

11 Section 1601-U. Definitions.

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

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

17 "Fund." The Redevelopment Authority Startup Fund established
18 in this article.

19 ~~"Qualified county." A county, other than a county of the~~ <--
20 ~~first class or county of the second class.~~

21 "QUALIFIED LAND BANK." A PUBLIC BODY AND A BODY CORPORATE <--
22 AND POLITIC ESTABLISHED UNDER 68 PA.C.S. CH. 21 (RELATING TO
23 LAND BANKS).

24 "Qualified redevelopment authority." A public body and body
25 corporate and politic created and organized in accordance with
26 the provisions of the act of May 24, 1945 (P.L.991, No.385),
27 known as the Urban Redevelopment Law, and established in a
28 qualified county.

29 "Startup loan." A loan issued to a qualified redevelopment
30 authority OR A QUALIFIED LAND BANK from the fund. <--

31 Section 1602-U. (Reserved).

32 Section 1603-U. Redevelopment Authority Startup Loan Program.

1 The Redevelopment Authority Startup Loan Program is
2 established in the department.

3 Section 1604-U. Application and approval process.

4 (a) General rule.--A qualified redevelopment authority OR A <--
5 QUALIFIED LAND BANK may apply to the department for a startup
6 loan as provided under this article. An application made under
7 this subsection must be submitted in a form and manner required
8 by the department.

9 (b) Application period.--A qualified redevelopment authority
10 OR A QUALIFIED LAND BANK may submit an application to the <--
11 department for a startup loan beginning ~~from January 1, 2024,~~ 60 <--
12 DAYS AFTER A TRANSFER OF MONEY TO THE FUND AS APPROPRIATED BY
13 THE GENERAL ASSEMBLY until the earlier of the following:

14 (1) the date on which all money appropriated by the
15 General Assembly to the fund has been awarded as startup
16 loans; or

17 (2) January 1, 2026.

18 (c) Review.--When reviewing applications for startup loans,
19 the department shall:

20 (1) Provide a startup loan from the fund to at least one
21 county of each qualified county QUALIFIED REDEVELOPMENT <--
22 AUTHORITY LOCATED IN A COUNTY OF EACH classification, if a
23 county of that classification has applied and the county is
24 in compliance with all requirements established by the
25 department.

26 (2) Give priority to qualified redevelopment authorities
27 in a county with existing municipal blight programs, if the
28 county has applied in that ~~qualified~~ county classification. <--

29 (3) IF NO QUALIFIED REDEVELOPMENT AUTHORITY IN ANY OF <--
30 THE COUNTY CLASSIFICATIONS HAS APPLIED, THE DEPARTMENT MAY

1 PROVIDE A LOAN FROM THE FUND TO AT LEAST ONE LAND BANK IN
2 THAT COUNTY CLASSIFICATION, GIVING PRIORITY TO PROGRAMS IN
3 WHICH THERE IS AN ESTABLISHED MUNICIPAL BLIGHT PROGRAM.

4 (d) (Reserved).

5 (e) Loan amounts.--A startup loan may not exceed \$500,000.

6 Section 1605-U. Startup loans.

7 (a) Eligible uses.--Except as provided under subsection (b),
8 a startup loan may be used by a qualified redevelopment

9 authority OR A QUALIFIED LAND BANK only for the following <--
10 purposes:

11 (1) The purchase of a residential property or a
12 commercial property BY A QUALIFIED REDEVELOPMENT AUTHORITY OR <--
13 A QUALIFIED LAND BANK.

14 (2) The cost of redevelopment OF A residential property <--
15 or a commercial property purchased under paragraph (1) or
16 owned by the qualified redevelopment authority OR THE <--
17 QUALIFIED LAND BANK.

18 (3) The cost of remediating a residential property or a
19 commercial property purchased under paragraph (1) or owned by
20 the qualified redevelopment authority OR THE QUALIFIED LAND <--
21 BANK.

22 (4) The necessary costs or administrative expenses to
23 execute the activities in paragraph (1), (2) or (3), not to
24 exceed 5% of the amount of the startup loan.

25 (b) Ineligible uses.--A startup loan may not be used to pay
26 for any of the following:

27 (1) The operating expenses of the qualified
28 redevelopment authority OR THE QUALIFIED LAND BANK. <--

29 (2) The refinancing or reduction of a debt or obligation
30 incurred prior to the award of the startup loan.

1 (c) Required repayment.--A qualified redevelopment authority
2 OR A QUALIFIED LAND BANK that is awarded a startup loan must <--
3 enter into a contract for the repayment of the startup loan in
4 accordance with the terms provided under subsection (d).

5 (d) Repayment terms.--A startup loan shall be subject to the
6 following terms and conditions:

7 (1) The term of the startup loan may not exceed 10
8 years.

9 (2) The interest rate of the startup loan may not exceed
10 2% per year.

11 (3) The DEPARTMENT MAY REQUIRE A qualified redevelopment <--
12 authority may be required by the department to enter into a <--
13 security agreement sufficient OR A QUALIFIED LAND BANK TO <--
14 PROVIDE COLLATERAL SUFFICIENT IN THE DEPARTMENT'S
15 DETERMINATION to protect the Commonwealth's interests in the
16 startup loan.

17 (e) Deposit of repayment amounts.--The amount of principal
18 and interest repaid by a qualified redevelopment authority OR A <--
19 QUALIFIED LAND BANK shall be deposited into the fund.
20 Section 1606-U. Redevelopment Authority Startup Fund.

21 (a) Establishment.--The Redevelopment Authority Startup Fund
22 is established in the State Treasury as a revolving loan fund. <--
23 THE FUND SHALL SERVE AS A REVOLVING LOAN FUND IN ACCORDANCE WITH <--
24 THIS ARTICLE. The money in the fund is appropriated to the
25 department on a continuing basis for the purpose of making
26 startup loans under this article and paying administrative
27 expenses under subsection ~~(d)~~ (C). <--

28 (b) Deposits.--The following shall be deposited into the
29 fund:

30 (1) Amounts appropriated or transferred by act of the

1 General Assembly to the fund.
2 (2) Amounts repaid under section 1605-U(e).
3 ~~(c) Interfund transfer. The State Treasurer shall transfer~~ <--
4 ~~\$10,000,000 from the General Fund to the Redevelopment Authority~~
5 ~~Startup Fund.~~
6 ~~(d) (C) Administrative expenses.--The amount of~~ <--
7 ~~administrative expenses of the department paid from the fund in~~
8 ~~any fiscal year may not exceed 2% of the amount of startup loans~~
9 ~~awarded in that THE PRIOR fiscal year.~~ <--
10 (D) GUIDELINES.--THE DEPARTMENT MAY ISSUE GUIDELINES TO <--
11 IMPLEMENT THIS ARTICLE.
12 Section 2. This act shall take effect in 60 days.