

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1582

PRINTER'S NO. 2999

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 24, 2011

PRIME SPONSOR

Representative Taylor

HISTORY OF BILL

Referred to LOCAL GOVERNMENT, May 24, 2011
Reported as committed, June 14, 2011
First consideration, June 14, 2011
Re-committed to RULES, June 14, 2011
Re-reported as committed, Sept. 26, 2011
Laid on the table, Sept. 26, 2011
Removed from table, Sept. 27, 2011
Second consideration, with amendments, Sept. 28, 2011
Re-committed to APPROPRIATIONS, Sept. 28, 2011
(Remarks see House Journal Page), Sept. 28, 2011
Re-reported as committed, Oct. 3, 2011
Third consideration and final passage, Oct. 4, 2011 (202-0)
In the Senate
Referred to LOCAL GOVERNMENT, Oct. 11, 2011
Reported as committed, Nov. 15, 2011
First consideration, Nov. 15, 2011
Re-referred to APPROPRIATIONS, Dec. 14, 2011
Re-reported as amended, Jan. 23, 2012

DESCRIPTION AND PURPOSE OF BILL

House Bill 1582, as amended, amends Chapter 56 of Title 53 (Municipalities Generally), known as the Municipality Authority Act, regarding assessments imposed on properties within a business improvement district.

The legislation provides that a municipal authority established to provide business improvements and administrative services in a district containing single-family residential properties, residential cooperative properties, or condominium properties may elect to calculate assessments as follows:

- The assessed value of each benefited single-family or residential cooperative property shall be one-half of the assessed value of the property for real estate tax purposes.

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- In the case of a condominium, the unit owners' association shall be assessed and individual units may not be assessed. The assessed value of the association shall be the sum of the assessed value for real estate tax purposes of any real estate owned by the association and such assessed value of all units, including their undivided interests in the common elements and any limited common elements, except that the value of any single-family residential unit shall be one-half of such assessed value of the unit for real estate tax purposes. The authority shall provide to the unit owners' association the calculation of the business improvement district assessed value of the association itemizing the assessed value of each unit. The association shall add to the condominium fee charged to a unit owner and separately itemize the amount of the district assessment attributable to the unit.
- The district assessment shall be calculated on each benefited single-family residential property, benefited residential cooperative property and benefited unit owners' association by multiplying in each case the total improvement and services cost by the ratio of the district assessed value of the benefited single-family residential property, benefited residential cooperative property or benefited unit owners' association to the sum of the district assessed value of all benefited single-family residential properties, the district assessed value of all residential cooperative properties, the district assessed value of all benefited unit owners' associations and the assessed value of all remaining benefited properties in the business improvement district.
- The remaining benefited properties shall be assessed by multiplying in each case the total improvement and services cost by the ratio of the assessed value of the remaining benefited property to the sum of the district assessed value of all benefited single-family residential properties, the district assessed value of all residential cooperative properties, the district assessed value of all benefited unit owners' associations and the assessed value of all remaining benefited properties in the business improvement district.
- An election by an authority shall not be revoked except through established procedures.

For purposes of determining these assessments, the assessed value of a benefited property shall not be reduced for any improvements for which an exemption or abatement has been granted.

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Any claim entered to secure the payment of an assessment against a unit owners' association shall be enforceable as a judgment for money against the association within the meaning of and under the provisions of 68 Pa.C.S. § 3319 (relating to other liens affecting the condominium), provided that if an assessment is paid in part and the association specifies in writing to the authority the units with respect to which full payment was made, the claim shall not be enforceable against units with respect to which full payment was made or against the association. An authority shall discharge a lien against an association to the extent that it constitutes a lien on a particular unit upon proof of payment, either to the unit owners' association or to the authority, by the owner of the particular unit of his itemized share of the assessment on the association.

In the case of an authority that has elected to make assessments under provisions contained in this legislation, objections in writing must be made by either of the following:

- One-third of the owners of benefited commercial properties; or
- Owners of properties representing one-third of the amount of all business improvement district assessments for the first year of the proposed plan and budget after the reduction in district assessments proposed in the legislation.

For purposes of calculating one-third of the benefited commercial properties, the term "benefited commercial properties" shall include all nonresidential property, each condominium association formed under 68 Pa.C.S. Part II, Subchapter B as one property and may not include any individual condominium so formed nor any single-family residential property.

The Act shall take effect in 60 days.

FISCAL IMPACT:

The legislation will have no fiscal impact to Commonwealth funds. In addition, the legislation should have no adverse fiscal impact on municipal authority funds because it changes the methodology for calculating assessments but not the aggregate amount of assessments that are receivable.