

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,
18 limited liability partnership, association or any other form of

1 legal business entity that owns an eligible commercial property.

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

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

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

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

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

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

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

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

28 (3) either:

29 (i) is listed on the National Register of Historic
30 Places or is a contributing property in a National

1 Register historic district; or
2 (ii) is located in a local government historic
3 district.

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

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

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

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

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

1 districts and to regulate the erection, reconstruction,
2 alteration, restoration, demolition or razing of buildings
3 within the historic districts."

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

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

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

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

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

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

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

26 Section 3. Program.

27 (a) Establishment.--There is established a program in the
28 department to be known as the Historic Preservation Incentive
29 Grant Program. The program shall provide grants to owners of
30 eligible properties located within this Commonwealth that

1 undertake eligible building improvements.

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

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

9 (2) The location of the property.

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

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

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

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

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

27 (7) Proof that the applicant is current with respect to
28 the payment of all real estate taxes assessed against the
29 property or evidence that the applicant is contesting the
30 taxes in good faith and has set aside sums to cover any tax

1 liability in the event the contest fails.

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

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

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

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

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

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

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

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

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

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

24 Section 4. Exemption from State taxes.

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

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

30 (a) Source.--Funds for this program shall be provided to the

1 department from funds authorized for this purpose.

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

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

12 (d) Limitations.--

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

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

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

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

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

30 (4) In order to receive money from a grant, the

1 applicant must complete the project being funded by the grant
2 within two years of receipt of notification from the
3 department of the award.

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

9 Section 6. Administration.

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

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

20 Section 7. Repayment.

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

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

28 (2) The eligible property is removed from the National
29 Register, either individually or as a contributing building
30 within a historic district, whether or not as a result of the

1 owner making improvements to the exterior of the property
2 that do not meet the standards.

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

8 Section 20. Effective date.

9 This act shall take effect in 120 days.