
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1891 Session of
2019

INTRODUCED BY CEPHAS, BOBACK, DONATUCCI, FREEMAN, JAMES,
SOLOMON, LONGIETTI, KINSEY, CALTAGIRONE, McCARTER,
YOUNGBLOOD, MENTZER, MURT, SAMUELSON, CIRESI, HILL-EVANS,
READSHAW AND SCHWEYER, SEPTEMBER 30, 2019

REFERRED TO COMMITTEE ON COMMERCE, SEPTEMBER 30, 2019

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 and for-sale 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 in accordance with the terms and conditions of
7 the act of February 9, 2004 (P.L.61, No.7), known as the Elm
8 Street Program Act. The term includes an area that has exited
9 the official program but still has a program functioning to
10 revitalize the designated areas under the department's program
11 guidelines.

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

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

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

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

1 alteration, restoration, demolition or razing of buildings
2 within the historic districts."

3 (2) The Historic Preservation Ordinance, Chapter 14-
4 1000, of the Philadelphia City Code.

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

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

10 "Main Street community." A geographic area designated as a
11 Main Street community by the department. The term includes an
12 area that has exited the official program but still has a
13 program functioning to revitalize the designated areas under the
14 department's program guidelines.

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

18 "Program." The Historic Preservation Incentive Grant Program
19 established under section 3.

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 provided under 36 CFR 67.7 (relating to standards for
25 rehabilitation).

26 Section 3. Program.

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

1 improvements.

2 (b) Application.--An applicant shall submit an application
3 to the department requesting a grant for the reimbursement of
4 costs associated with eligible building improvements to an
5 eligible property owned by the applicant. The application shall
6 be submitted on a form developed by the department in
7 consultation with the commission and shall include all of the
8 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 shall
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 shall file a certification with the
25 commission stating that the work has been completed. The
26 certification shall 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. If the commission is satisfied with the
7 certification submitted, the commission shall notify the
8 department of the approved eligible building improvements. The
9 department shall calculate the amount of the grant and disburse
10 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 shall 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 and

1 priorities.

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

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

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

14 (d) Limitations.--

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

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

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

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

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

1 connection with a single project.

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

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

11 Section 6. Administration.

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

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. The department
18 and the commission shall enter into an agreement for the payment
19 to the commission of a portion of sums for expenses incurred by
20 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.