

URBAN REDEVELOPMENT LAW - FORMATION OF AUTHORITIES, DISSOLUTION  
OF CITY AUTHORITIES AND EMINENT DOMAIN

Act of Jul. 14, 2020, P.L. 620, No. 58

Cl. 14

Session of 2020

No. 2020-58

HB 1860

AN ACT

Amending the act of May 24, 1945 (P.L.991, No.385), entitled "An act to promote elimination of blighted areas and supply sanitary housing in areas throughout the Commonwealth; by declaring acquisition, sound replanning and redevelopment of such areas to be for the promotion of health, safety, convenience and welfare; creating public bodies corporate and politic to be known as Redevelopment Authorities; authorizing them to engage in the elimination of blighted areas and to plan and contract with private, corporate or governmental redevelopers for their redevelopment; providing for the organization of such authorities; defining and providing for the exercise of their powers and duties, including the acquisition of property by purchase, gift or eminent domain; the leasing and selling of property, including borrowing money, issuing bonds and other obligations, and giving security therefor; restricting the interest of members and employes of authorities; providing for notice and hearing; supplying certain mandatory provisions to be inserted in contracts with redevelopers; prescribing the remedies of obligees of redevelopment authorities; conferring certain duties upon local planning commissions, the governing bodies of cities and counties, and on certain State officers, boards and departments," further providing for definitions, for formation of authorities, for dissolution of city authorities and for eminent domain; and making editorial changes.

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

Section 1. Section 3(c), (e) and (h) of the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, are amended to read:

Section 3. Definitions.--The following terms where used in this act, shall have the following meanings, except where the context clearly indicates a different meaning.

\* \* \*

[(c) "City."--Any city of the first, second, second class A or third class. The term shall also include any borough with a population large enough for the borough to qualify for a charter as a city, separately from any town, township or other borough, under section 201 of the act of June 23, 1931 (P.L.932, No.317), known as "The Third Class City Code," for all purposes of this act. "The city" shall mean the particular city or such qualified borough for which a particular Authority is created.]

\* \* \*

(e) "Field of Operation."--The area within the territorial boundaries of the [city] **municipality** or county for which a particular Authority is created: Provided, however, That the field of operation of any county authority shall not include a [city] **municipality** having a redevelopment authority but may

include, with the consent of any such [city] **municipality**, parcels of land within the [city] **municipality's** limits which are necessary to the corporate purposes of the county authority or necessary to its successful redevelopment of a redevelopment area: And, provided further, That the field of operation of any authority may include parcels of land outside the territorial boundaries of the [city] **municipality** or county, as the case may be, which are necessary to the corporate purposes of the authority or necessary to the successful redevelopment of a redevelopment area, with the consent of the governing body of the [city or] county [and the] **or** municipality in which the said parcels are situated, as the case may be: Provided, however, That the field of operation of any Authority shall not include parcels of land outside the territorial boundaries of a county unless acquisition thereof has been approved by a majority of the electors voting in a primary or general election in the municipality in which said parcels are situated.

\* \* \*

(h) "Municipality."--Any county, city, borough, **incorporated town** or township.

\* \* \*

Section 2. Sections 4(a), (b) and (c), 4.1, 4.2, 5, 8, 12 and 19 of the act are amended to read:

Section 4. Formation of Authorities.--

(a) There are hereby created separate and distinct bodies corporate and politic, one for each [city] **municipality** and one for each county of the Commonwealth, as herein defined. Each such body shall be known as the Redevelopment Authority of the [city] **municipality** or the county, as the case may be, but shall in no way be deemed to be an instrumentality of such [city] **municipality** or county, or engaged in the performance of a municipal function. Each such Authority shall transact no business or otherwise become operative until and unless a finding is made as hereinafter provided in this section.

(b) At any time after passage of this act the governing body of any [city] **municipality** or county may find and declare by proper ordinance or resolution that there is need for an Authority to function within the territorial limits of said [city] **municipality** or county, as the case may be.

(c) The governing body shall cause a certified copy of such ordinance or resolution to be filed with the Department of State and a duplicate thereof with the Department of Community [Affairs] **and Economic Development**; upon receipt of the said certificate the Secretary of the Commonwealth shall issue a certificate of incorporation.

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Section 4.1. Dissolution of [City] Authorities.--If [a city] **an authority of a municipality** has never issued any bonds, or incurred any other debts or contractual obligations, or has paid and has been released from and discharged of all debts and bonded, contractual and other obligations, the governing body of the [city] **municipality** may, after three years from the date of the certificate described in subsection (c) of section 4, or earlier if a proper resolution of the authority requests the action hereinafter described, find and declare by proper resolution that its functions can be more properly carried out by a county authority and that there is no longer any need for the authority created for [such city] **the municipality** to function. In such case the governing body shall issue a certificate reciting the adoption of such resolution, and shall cause such certificate to be filed with the Department of State and two duplicates thereof with the Department of Community

[Affairs] **and Economic Development**. Upon such filing the [city] authority shall cease to function, and title to any assets held by the authority at that time shall pass to the [city] **municipality**. A copy of the certificate described in this section shall be admissible in any suit, action or proceeding and shall be conclusive proof that the authority has ceased to be in existence.

Section 4.2. Dissolution of County Authorities.--If a county authority has never issued any bonds, or incurred any other debts or contractual obligations, or has paid and has been released from and discharged of all debts and bonded, contractual and other obligations, the governing body of the county may, after three years from the date of the certificate described in subsection (c) of section 4, or earlier if a proper resolution of the authority requests the action hereinafter described, find and declare by proper resolution that there is no longer any need for the authority created for such county to function. In such case the governing body shall issue a certificate reciting the adoption of such resolution, and shall cause such certificate to be filed with the Department of State and two duplicates thereof with the Department of Community [Affairs] **and Economic Development**. Upon such filing the county authority shall cease to function, and title to any assets held by the authority at that time shall pass to the county. A copy of the certificate described in this section shall be admissible in any suit, action or proceeding and shall be conclusive proof that the authority has ceased to be in existence.

Section 5. Appointment and Qualifications of Members of Authority.--Upon certification of a resolution declaring the need for an Authority to operate in a [city] **municipality** or county, [the mayor or board of county commissioners thereof, respectively,] **the governing body** shall appoint, as members of the Authority, five citizens who, except in the case of cities of the third class, shall be residents of the [city] **municipality** or county in which the Authority is to operate. In the case of a city of the third class, a majority of the members of the Authority shall be residents of the city, and the remainder may be nonresidents who own and operate businesses in the city in which the Authority is to operate.

Section 8. Interest of Members or Employees.--No member or employe of an Authority shall acquire any interest, direct or indirect, in any redevelopment project or in any property included or planned to be included in any redevelopment area, or in any area which he may have reason to believe may be certified to be a redevelopment area, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by an Authority, or in any contract with a redeveloper or prospective redeveloper relating, directly or indirectly, to any redevelopment project. The acquisition of any such interest in a redevelopment project or in any such property or contract shall constitute misconduct in office. If any member or employe of an Authority shall already own or control any interest, direct or indirect, in any property later included or planned to be included in any redevelopment project under the jurisdiction of the Authority, or has any such interest in any contract for material or services to be furnished or used in connection with any redevelopment project, he shall disclose the same in writing to the Authority and to the Department of Community [Affairs] **and Economic Development** and the local governing body, and such disclosure shall be entered in writing

upon the minute books of the Authority. Failure to make such disclosure shall constitute misconduct in office.

Section 12. Eminent Domain.--Title to any property acquired by an Authority through eminent domain shall be an absolute or fee simple title, unless a lesser title shall be designated in the eminent domain proceedings. The Authority may exercise the right of eminent domain in the manner provided by law for the exercise of such right by [cities] **municipalities** or counties, as the case may be, of the same class as the [city] **municipality** or county in which such Authority is organized to operate. If any of the real property in the redevelopment area which is to be acquired has, prior to such acquisition, been devoted to another public use, it may, nevertheless, be acquired by condemnation: Provided, That no real property belonging to a [city] **municipality**, county or to the Commonwealth may be acquired without its consent. No real property belonging to a public utility corporation may be acquired without the approval of the Public Utility Commission.

Section 19. Records and Reports.--

(a) The books and records of an Authority shall at all times be open and subject to inspection by the Department of Community [Affairs] **and Economic Development**;

(b) An Authority may file with the Department of Community [Affairs] **and Economic Development** such information and reports as it may from time to time deem desirable, and shall file with them;

(1) A copy of all by-laws and rules and regulations and amendments thereto, adopted by it, from time to time.

(2) Copies of all redevelopment proposals and redevelopment contracts, as well as of any changes, which may be made therein.

(3) At least once each year a report of its activities for the preceding year, and such other reports as said department may require. Copies of such reports shall be filed with the [mayor and] governing body of the [city] **municipality** or with the county board of commissioners, as the case may be.

Section 3. This act shall take effect in 60 days.

APPROVED--The 14th day of July, A.D. 2020.

TOM WOLF