

**PENNSYLVANIA MUNICIPALITIES PLANNING CODE - COMPLETION OF  
IMPROVEMENTS OR GUARANTEE THEREOF PREREQUISITE TO FINAL PLAT  
APPROVAL**

**Act of Dec. 22, 2021, P.L. 469, No. 97**

**Cl. 53**

Session of 2021  
No. 2021-97

SB 208

AN ACT

Amending the act of July 31, 1968 (P.L.805, No.247), entitled "An act to empower cities of the second class A, and third class, boroughs, incorporated towns, townships of the first and second classes including those within a county of the second class and counties of the second through eighth classes, individually or jointly, to plan their development and to govern the same by zoning, subdivision and land development ordinances, planned residential development and other ordinances, by official maps, by the reservation of certain land for future public purpose and by the acquisition of such land; to promote the conservation of energy through the use of planning practices and to promote the effective utilization of renewable energy sources; providing for the establishment of planning commissions, planning departments, planning committees and zoning hearing boards, authorizing them to charge fees, make inspections and hold public hearings; providing for mediation; providing for transferable development rights; providing for appropriations, appeals to courts and penalties for violations; and repealing acts and parts of acts," in subdivision and land development, further providing for completion of improvements or guarantee thereof prerequisite to final plat approval.

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

Section 1. Section 509(f), (h) and (j) of the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code, are amended to read:

Section 509. Completion of Improvements or Guarantee Thereof Prerequisite to Final Plat Approval.--\* \* \*

(f) The amount of financial security to be posted for the completion of the required improvements shall be equal to 110% of the cost of completion estimated as of 90 days following the date scheduled for completion by the developer. Annually, the municipality may adjust the amount of the financial security by comparing the actual cost of the improvements which have been completed and the estimated cost for the completion of the remaining improvements as of the expiration of the 90th day after either the original date scheduled for completion or a rescheduled date of completion. Subsequent to said adjustment, the municipality may require the developer to post additional security in order to assure that the financial security equals **but does not exceed** said 110%. Any additional security shall be posted by the developer in accordance with this subsection.

\* \* \*

(h) If the party posting the financial security requires more than one year from the date of posting of the financial security to complete the required improvements, the amount of financial security may be increased by an additional 10% for

each one-year period beyond the first anniversary date from posting of financial security [or] to an amount not exceeding 110% of the cost of completing the required improvements as reestablished on or about the expiration of the preceding one-year period by using the above bidding procedure.

\* \* \*

(j) As the work of installing the required improvements proceeds, the party posting the financial security may request the governing body to release or authorize the release, from time to time, such portions of the financial security necessary for payment to the contractor or contractors performing the work. Any such requests shall be in writing addressed to the governing body, and the governing body shall have 45 days from receipt of such request within which to allow the municipal engineer to certify, in writing, to the governing body that such portion of the work upon the improvements has been completed in accordance with the approved plat. Upon such certification the governing body shall authorize release by the bonding company or lending institution of an amount as estimated by the municipal engineer fairly representing the value of the improvements completed or, if the governing body fails to act within said 45-day period, the governing body shall be deemed to have approved the release of funds as requested. The governing body may, prior to [final] release at the time of completion and certification by its engineer, retain 10% of the [original amount of the posted financial security for the aforesaid] **estimated cost of the remaining** improvements.

\* \* \*

Section 2. This act shall take effect in 60 days.

APPROVED--The 22nd day of December, A.D. 2021.

TOM WOLF