

AMENDMENTS TO HOUSE BILL NO. 584

Sponsor: REPRESENTATIVE LEWIS

Printer's No. 635

1 Amend Bill, page 1, lines 1 through 5, by striking out all of
2 said lines and inserting

3 Amending Title 72 (Taxation and Fiscal Affairs) of the
4 Pennsylvania Consolidated Statutes, establishing
5 microenterprise loan programs and abating real property
6 assessment.

7 Amend Bill, page 1, lines 8 through 19; pages 2 through 32,
8 lines 1 through 30; page 33, lines 1 through 21; by striking out
9 all of said lines on said pages and inserting

10 Section 1. Title 72 of the Pennsylvania Consolidated
11 Statutes is amended by adding a chapter to read:

12 CHAPTER 31

13 MICROENTERPRISE ASSISTANCE

14 Subchapter

15 A. Preliminary Provisions

16 B. Microenterprise Loan Programs

17 SUBCHAPTER A

18 PRELIMINARY PROVISIONS

19 Sec.

20 3101. Definitions.

21 § 3101. Definitions.

22 The following words and phrases when used in this chapter
23 shall have the meanings given to them in this section unless the
24 context clearly indicates otherwise:

25 "Administrative entity." Any of the following:

26 (1) An entity certified by the Pennsylvania Industrial
27 Development Authority under 64 Pa.C.S. § 1123 (relating to
28 certification of economic development organizations).

29 (2) A public instrumentality of the Commonwealth and a
30 body politic and corporate created under the act of August
31 23, 1967 (P.L.251, No.102), known as the Economic Development
32 Financing Law.

33 (3) An authority organized and existing under the former
34 act of May 2, 1945 (P.L.382, No.164), known as the
35 Municipality Authorities Act of 1945, or an authority

1 established under 53 Pa.C.S. Ch. 56 (relating to municipal
2 authorities).

3 (4) A redevelopment authority established under the act
4 of May 24, 1945 (P.L.991, No.385), known as the Urban
5 Redevelopment Law.

6 (5) A community development financial institution
7 certified in accordance with the Community Development
8 Banking and Financial Institutions Act of 1994 (Public Law
9 103-325, 108 Stat. 2163).

10 "Department." The Department of Community and Economic
11 Development of the Commonwealth.

12 "Low income." A household with total income at or below 80%
13 of the area median income, adjusted for household size, as
14 defined annually by the United States Department of Housing and
15 Urban Development.

16 "Microenterprise." A sole proprietorship, partnership or
17 limited liability company that employs one to five employees and
18 has the qualifying amount of capital provided under the Small
19 Business Jobs Act of 2010 (Public Law 111-240, 124 Stat. 2504).

20 "Municipality." A county, city, borough, incorporated town,
21 township or home rule municipality.

22 "Program." A microenterprise assistance program authorized
23 by this chapter.

24 "Real property." Land and all structures and fixtures
25 thereon and all estates and interests in land, including
26 easements, covenants and leaseholders.

27 "School district." As to any real property acquired, owned
28 or conveyed by an administrative entity, the school district
29 within which the geographical jurisdiction of the real property
30 is located.

31 "Secretary." The Secretary of Community and Economic
32 Development of the Commonwealth.

33 "Start-up entrepreneur." An individual, partnership, limited
34 liability company that establishes a microenterprise.

35 SUBCHAPTER B

36 MICROENTERPRISE LOAN PROGRAMS

37 Sec.

38 3111. Purpose.

39 3112. Powers of administrative entity.

40 3113. Acquisition of property and responsibilities.

41 3114. Funding.

42 3115. Property tax exemption schedule of real property.

43 3116. Microenterprise loans.

44 3117. Administration of program.

45 3118. Disposition of property.

46 § 3111. Purpose.

47 An administrative entity may create a microenterprise loan
48 program to assist low-income individuals in the establishment of
49 a microenterprise.

50 § 3112. Powers of administrative entity.

51 (a) General rule.--In addition to powers granted to an

1 administrative entity in other laws, an administrative entity
2 shall have the following powers necessary to operate a program:

3 (1) To issue loans to microenterprises that will operate
4 on property owned by the administrative entity and leased to
5 the microenterprise. The program shall target
6 microenterprises of low-income individuals.

7 (2) To negotiate for loans and grants from both public
8 and private sources in order to fund the program.

9 (3) To make loans to low-income start-up entrepreneurs.

10 (4) To acquire property to lease to start-up
11 entrepreneurs in order to facilitate the establishment of a
12 microenterprise.

13 (5) To enter into an intergovernmental cooperation
14 agreement with other administrative entities or
15 municipalities relative to the operations of the program.

16 (b) Eminent domain.-- An administrative entity does not
17 possess the power of eminent domain by establishing and
18 implementing a program.

19 § 3113. Acquisition of property and responsibilities.

20 (a) General rule.--An administrative entity may acquire real
21 property to lease to start-up entrepreneurs who receive a
22 microenterprise loan under the program in the following manners:

23 (1) An administrative entity may acquire real property
24 by purchase contracts, lease purchase agreements, installment
25 sales contracts and land contracts and may accept transfers
26 from municipalities upon terms and conditions as agreed to by
27 the administrative entity and the municipality.

28 (2) A municipality may transfer to an administrative
29 entity real property and interests in real property of the
30 municipality on terms and conditions and according to
31 procedures determined by the municipality so long as the real
32 property is located within the jurisdiction of the
33 municipality.

34 (3) A redevelopment authority may, with the consent of
35 the local governing body and without a redevelopment
36 contract, convey property which the redevelopment authority
37 acquired before the effective date of this paragraph to the
38 administrative entity. A conveyance under this paragraph
39 shall be with fee simple title, free of all liens and
40 encumbrances.

41 (4) An administrative entity may, if authorized by the
42 jurisdiction that created an authority or otherwise by
43 intergovernmental cooperation agreement, accept donations of
44 real property and extinguish delinquent claims for taxes as
45 to the property under section 5.1 of the act of May 16, 1923
46 (P.L.207, No.153), referred to as the Municipal Claim and Tax
47 Lien Law, or section 303 of the act of July 7, 1947
48 (P.L.1368, No.542), known as the Real Estate Tax Sale Law.
49 For the purposes of this paragraph, the administrative entity
50 shall have all rights and obligations of the municipality
51 provided for in section 5.1 of the Municipal Claim and Tax

1 Lien Law.

2 (5) Notwithstanding any other provision of law to the
3 contrary, if a tax delinquent property offered at judicial
4 sale is not sold, the trustee may donate the property to an
5 administrative entity for the purpose of this chapter after
6 written notification of the transfer to all interested
7 parties.

8 (b) Title to be held in its name.--An administrative entity
9 shall hold in its own name all real property it acquires to
10 administer the microenterprise program under this chapter.

11 § 3114. Funding.

12 (a) General rule.--The administrative entity may receive
13 funding through grants from:

14 (1) The Federal Government.

15 (2) The Commonwealth.

16 (3) A municipality that created the authority.

17 (4) Private sources.

18 (b) Revenue.--An administrative entity may receive and
19 retain payments for services rendered, for rents and leasehold
20 payments received, for consideration for disposition of real and
21 personal property, for proceeds of insurance coverage for losses
22 incurred, for income from investments and for an asset and
23 activity lawfully permitted to the authority under this chapter.

24 § 3115. Property tax exemption schedule of real property.

25 A municipality and school district shall have the power and
26 authority to grant property tax abatement, in the manner
27 provided in this section, to properties leased to a
28 microenterprise for one or more consecutive years, and owned by
29 an administrative entity:

30 (1) For the first, second and third years for which the
31 property would otherwise be taxable, and is continually
32 leased to the microenterprise, 100% of the eligible
33 assessment shall be exempted.

34 (2) For the fourth year for which the property would
35 otherwise be taxable, and is continually leased to the
36 microenterprise, 90% of the eligible assessment shall be
37 exempted.

38 (3) For the fifth year for which the property would
39 otherwise be taxable, and is continually leased to the
40 microenterprise, 75% of the eligible assessment shall be
41 exempted.

42 (4) For the sixth year for which the property would
43 otherwise be taxable, and is continually leased to the
44 microenterprise, 60% of the eligible assessment shall be
45 exempted.

46 (5) For the seventh year for which the property would
47 otherwise be taxable, and is continually leased to the
48 microenterprise, 45% of the eligible assessment shall be
49 exempted.

50 (6) For the eighth year for which the property would
51 otherwise be taxable, and is continually leased to the

1 microenterprise, 30% of the eligible assessment shall be
2 exempted.

3 (7) For the ninth year for which the property would
4 otherwise be taxable, and is continually leased to the
5 microenterprise, 15% of the eligible assessment shall be
6 exempted.

7 (8) For the tenth year for which the property would
8 otherwise be taxable, and is continually leased to the
9 microenterprise, 10% of the eligible assessment shall be
10 exempted.

11 (9) After the tenth year of being continually leased to
12 the microenterprise, the exemption shall terminate.

13 § 3116. Microenterprise loans.

14 (a) Loan issuance.--

15 (1) An administrative entity may issue a loan to a
16 microenterprise that operates on property owned by the
17 administrative entity within the program.

18 (2) An administrative entity may partner with a private
19 entity that issues microloans for the purpose of providing a
20 loan under paragraph (1).

21 (3) If a loan payment becomes delinquent, the
22 administrative entity may offer a hardship agreement to the
23 microenterprise to restructure the payment process.

24 (b) Training.--For the purpose of reducing the financial
25 risk involved in issuing a loan under subsection (a)(1) and
26 providing loan applicants with the skills necessary to succeed,
27 a loan applicant must complete business courses and workshops on
28 operating a business, creating market strategy and customer
29 interaction to be eligible to receive a loan.

30 (c) Training resources.--

31 (1) Upon request by an administrative entity, the
32 department shall assist the administrative entity in
33 identifying organizations that can provide the business
34 training required under subsection (b) to loan applicants.
35 The administrative entity shall direct loan applicants to the
36 organizations that provide the business training.

37 (2) The administrative entity may partner with a private
38 entity, including commercial, and nonprofits or organizations
39 specializing in training start-up entrepreneurs, for any of
40 the following:

41 (i) using the private entity's facilities or
42 expertise to help loan applicants fulfill the business
43 training required under subsection (b); or

44 (ii) acquiring building space, whether the building
45 space is leased or donated, for the purpose of conducting
46 business training required under subsection (b).

47 (d) Eligible applicants.--

48 (1) An administrative entity shall impose requirements
49 for eligible applicants and the requirements are readily
50 available to the public. The requirements shall include, but
51 not be limited to:

- 1 (i) An applicant must be low income.
2 (ii) An applicant must demonstrate need for capital
3 and technical assistance to operate a business, with need
4 defined by the administrative entity.
5 (iii) An applicant must have an established business
6 plan and provide a summary of the plan to the
7 administrative entity, if requested.

8 § 3117. Administration of program.

9 (a) Limitation on administrative cost.--The cost of
10 administering a program may not exceed 10% of the program's
11 operating budget.

12 (b) Maintenance.--An administrative entity shall maintain
13 all of its real property in accordance with the laws of this
14 Commonwealth and ordinances of the jurisdiction in which the
15 real property is located.

16 § 3118. Disposition of property.

17 (a) Public access to inventory.--An administrative entity
18 shall maintain and make available for public review and
19 inspection an inventory of real property held by the
20 administrative entity for the program.

21 (b) Power.--The authority may convey, exchange, sell,
22 transfer, lease, grant or mortgage interests in real property of
23 the administrative entity in the form and by the method
24 determined by the administrative entity to be in the best
25 interests of the microenterprise loan program.

26 (c) Consideration.--

27 (1) The administrative entity shall determine the amount
28 and form of consideration necessary to convey, exchange,
29 sell, transfer, lease as lessor, grant or mortgage interests
30 in real property.

31 (2) Consideration may take the form of monetary payments
32 and secured financial obligations, covenants and conditions
33 related to the present and future use of the property,
34 contractual commitments of the transferee and other forms of
35 consideration as determined by the administrative entity to
36 be in the best interest of the program.

37 (d) Policies and procedures.--

38 (1) An administrative entity shall create policies and
39 procedures providing the general terms and conditions for
40 consideration to be received by the administrative entity for
41 the transfer of real property and interests in real property.

42 (2) Requirements which may be applicable to the
43 disposition of real property and interests in real property
44 by municipalities shall not be applicable to the disposition
45 of real property and interests in real property by the
46 administrative entity.

47 (e) Land use plans.--The administrative entity shall
48 consider all duly adopted land use plans and make reasonable
49 efforts to coordinate the disposition of an administrative
50 entity's real property with the land use plans.

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