

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL**

**No. 300**      Session of  
2003

---

INTRODUCED BY DIVEN AND WHEATLEY, FEBRUARY 18, 2003

---

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 17, 2003

---

AN ACT

1 Providing for the remediation of blighted properties in cities  
2 of the first and second class.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Blight  
7 Remediation Board Act.

8 Section 2. Legislative intent.

9 The purpose of this act is to establish a blight remediation  
10 program that would provide affordable housing, improve the  
11 quality of life in urban neighborhoods and increase annual  
12 reoccurring revenue for school districts and cities of the first  
13 and second class without the commitment of future State tax  
14 dollars.

15 Section 3. Definitions.

16 The following words and phrases when used in this act shall  
17 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Blighted property." Includes any of the following:

3 (1) Any premises which, because of physical condition or  
4 use, is regarded as a public nuisance at common law or has  
5 been declared a public nuisance in accordance with the local  
6 housing, building, plumbing, fire and related codes.

7 (2) Any dwelling which, because it is dilapidated,  
8 unsanitary, unsafe, vermin-infested or lacking in the  
9 facilities and equipment required by the housing code of the  
10 municipality, has been designated by the local agency  
11 responsible for enforcement of the code as unfit for human  
12 habitation.

13 (3) Any structure which is a fire hazard or is otherwise  
14 dangerous to the safety of persons or property.

15 (4) Any structure from which the utilities, plumbing,  
16 heating, sewerage or other facilities have been disconnected,  
17 destroyed, removed or rendered ineffective so that the  
18 property is unfit for its intended use.

19 (5) Any vacant or unimproved lot or parcel of ground in  
20 a predominantly built-up neighborhood which by reason of  
21 neglect or lack of maintenance has become a place for  
22 accumulation of trash and debris or a haven for rodents or  
23 other vermin.

24 (6) Any property which has been tax delinquent for a  
25 period of two years.

26 ~~"Board." The Blight Remediation Board established by this~~ <—  
27 ~~act.~~

28 (7) ANY VACANT PROPERTY OR UNIMPROVED LOT OR PARCEL OF <—  
29 GROUND IN A REDEVELOPMENT AREA CERTIFIED PURSUANT TO THE ACT  
30 OF MAY 24, 1945 (P.L.991, NO.385), KNOWN AS THE URBAN

1 REDEVELOPMENT LAW.

2 "BOARDS." THE BLIGHT REMEDIATION BOARD FOR CITIES OF THE  
3 FIRST CLASS AND THE BLIGHT REMEDIATION BOARD FOR CITIES OF THE  
4 SECOND CLASS AS ESTABLISHED BY THIS ACT.

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

7 "Fund." The Blight Remediation Fund established by this act.

8 "NONPROFIT DEVELOPERS." COMMUNITY DEVELOPMENT CORPORATIONS ←  
9 REGISTERED UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE  
10 OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 501(C)(3)).

11 "Program." The Blight Remediation Program established by  
12 this act.

13 Section 4. Program.

14 (a) Establishment.--The Blight Remediation Program is hereby  
15 established within the department.

16 (b) Transfer of capital budget moneys.--Immediately  
17 following the deposit of capital budget moneys into the fund  
18 pursuant to section 8, \$75,000,000 of the moneys shall be  
19 transferred to the city of the first class and \$35,000,000 of  
20 the moneys shall be transferred to the city of the second class  
21 for expenditure pursuant to the purposes set forth in subsection  
22 (c).

23 (c) Use of transferred moneys.--The city of the first class  
24 and the city of the second class shall utilize the transferred  
25 moneys to purchase blighted property within their respective  
26 jurisdictions ~~for inclusion in the program~~. Purchase may be ←  
27 effected by outright purchase, eminent domain, purchase at tax  
28 sale or by any other means available. Moneys may be utilized to  
29 defray all costs and expenses associated with obtaining good  
30 marketable title to the blighted properties, including, but not

1 limited to, the satisfaction of liens and other claims, attorney  
2 fees and all other costs incurred to acquire such properties.

3 ~~(d) Conveyance of purchased property to department. Within~~ <—  
4 ~~nine months of the effective date of this act, the city of the~~

5 (D) CONVEYANCE OF PURCHASED PROPERTY TO DEPARTMENT.-- <—

6 (1) WITHIN NINE MONTHS OF PURCHASE MADE PURSUANT TO THIS  
7 ACT, THE CITY OF THE first class and the city of the second  
8 class shall each submit a list of properties acquired  
9 pursuant to subsection (c) to the board. Such list shall also  
10 include information specifying the amount expended to  
11 purchase and clear title to each property, the exact location  
12 of each property and such other information deemed warranted  
13 by the board. Following board review of these lists and the  
14 accompanying information pursuant to section 6, all  
15 properties on the list that have been approved by the board  
16 for program inclusion shall be conveyed, EXCEPT AS OTHERWISE <—  
17 PROVIDED IN PARAGRAPH (2), by each city in fee simple to the  
18 Commonwealth.

19 (2) IF, TO PURCHASE PROPERTY, A CITY ALSO USES FUNDS <—  
20 FROM OTHER SOURCES IN AN AMOUNT EQUAL OR GREATER TO THE  
21 FUNDING PROVIDED PURSUANT TO THIS ACT TO PURCHASE SUCH  
22 PROPERTY, THE CITY NEED NOT CONVEY SUCH PROPERTY TO THE  
23 COMMONWEALTH.

24 (e) Development of conveyed property.--Capital budget moneys  
25 in the amount of \$25,000,000 with respect to the city of the  
26 first class and \$15,000,000 with respect to the city of the  
27 second class shall be utilized by the board in site preparation  
28 of the conveyed properties, OR SHALL BE PROVIDED, IN WHOLE OR IN <—  
29 PART, AS A GRANT BY THE DEPARTMENT TO SUCH A CITY FOR SUCH  
30 PURPOSE IN CONNECTION WITH PROPERTY PURCHASED PURSUANT TO THIS

1 ACT, PROVIDED THE CITY ALSO USES FUNDS FROM OTHER SOURCES IN AN  
2 AMOUNT EQUAL OR GREATER TO THE GRANT AMOUNT FOR SUCH PURPOSE.

3 These moneys may be used to cover costs in razing and clearing  
4 dilapidated buildings and in the installation of necessary  
5 infrastructure, including sewer, water and other utilities.

6 ~~(f) Tax abatement programs. Properties qualifying for this~~ <—  
7 ~~program are not eligible for any tax abatement program.~~

8 Section 5. Board.

9 (a) Establishment.--~~The Blight Remediation Board is~~ BOARDS <—  
10 ARE hereby established with the department and shall administer  
11 the program.

12 (b) Composition.--~~The board shall be composed of a governing~~ <—  
13 ~~board~~ BOARDS SHALL BE composed of three members EACH appointed <—  
14 by the Governor WHO MUST BE RESIDENTS OF THE CITIES COVERED BY <—  
15 THE RESPECTIVE BOARDS; one shall have expertise in the area of  
16 real estate appraisal and finance, one shall have expertise in  
17 the area of urban redevelopment and economic development, and  
18 one shall have expertise in general business practices and  
19 marketing.

20 (c) Term; vacancies.--The term of a board member shall begin  
21 on the date of appointment. A member's term shall be coterminous  
22 with that of ~~his or her~~ THE appointing authority, provided that <—  
23 the member's term shall continue until ~~his or her~~ A replacement <—  
24 is appointed. Board members shall serve at the pleasure of the  
25 appointing authority. Whenever a vacancy occurs on the board,  
26 whether prior to or on the expiration of a term, the appointing  
27 authority ~~who originally appointed the board member whose seat~~ <—  
28 ~~has become vacant~~ shall appoint a successor member within 30  
29 days of the vacancy. A member appointed to fill a vacancy  
30 occurring prior to the expiration of a term shall serve the

1 unexpired term.

2 (d) Meetings.--The ~~board~~ BOARDS shall meet as frequently as <—  
3 ~~it deems~~ THEY DEEM appropriate but at least once during each <—  
4 quarter of the fiscal year. In addition, a meeting of ~~the~~ A <—  
5 board shall be called by the chairperson if a request for a  
6 meeting is submitted to the chairperson by at least two members  
7 of ~~the~~ A board. A majority of the board shall constitute a <—  
8 quorum for the purpose of conducting the business of the board  
9 and for all other purposes. All actions of the board shall be  
10 taken by a majority of the board. ~~unless specific provisions of~~ <—  
11 ~~this act require that action be taken by a qualified majority.~~  
12 The provisions of 65 Pa.C.S. Ch. 7 (relating to open meetings)  
13 shall apply to the board.

14 (e) Expenses.--A member shall not receive compensation or  
15 remuneration, but shall be entitled to reimbursement for all  
16 reasonable and necessary actual expenses.

17 (f) Public officials and party officers.--Members of the  
18 board shall not seek or hold a position as any other public  
19 official within this Commonwealth or as a party officer while in  
20 service. Members of the board shall not seek election as public  
21 officials or party officers for one year after their service on  
22 the board. Members of the board may serve as appointive public  
23 officials any time after their periods of service on the board.  
24 Section 6. Powers and duties of board.

25 (a) Review of property lists.--Upon receipt of the lists of  
26 blighted properties purchased by the first and second class  
27 cities pursuant to section 4(d), the RESPECTIVE board shall <—  
28 review the lists to ascertain that each property is in a  
29 position to be conveyed to the Commonwealth with a good  
30 marketable title and free of all liens and claims. No property

1 shall be approved for conveyance and program inclusion if it is  
2 determined that there exists a title problem of any sort or any  
3 environmental or other type of site problem that carries the  
4 potential for owner liability. The Commonwealth shall be held  
5 harmless for any title problem or environmental problem. These  
6 are the sole responsibility of the city.

7 (b) Acceptance of conveyed property.--Once the board has  
8 conducted the review prescribed in subsection (a), it shall  
9 notify each city of the properties the board will accept for  
10 program inclusion. The conveyance from the cities shall then  
11 occur EXCEPT AS OTHERWISE PROVIDED IN SECTION 4(D). <—

12 (c) Agreement.--At the time of conveyance, each city and ~~the~~ <—  
13 ITS RESPECTIVE board shall execute a separate agreement that <—  
14 sets forth the responsibilities and duties of each party under  
15 the program. In such agreements, the board shall obligate itself  
16 to undertake site demolition and clearing work and the  
17 installation of necessary infrastructure and to ultimately  
18 convey the property to other entities, including private  
19 developers, for development. ~~Each~~, BUT NONPROFIT DEVELOPERS <—  
20 SHALL HAVE THE FIRST OPPORTUNITY. EXCEPT IN CONNECTION WITH THE  
21 PURCHASE OF PROPERTY WHERE A CITY CONTRIBUTES AT LEAST 50% OF  
22 THE MONEY NEEDED TO PURCHASE THE PROPERTY USING SOURCES OTHER  
23 THAN MONEY RECEIVED FROM THE FUND, AND EXCEPT TO THE EXTENT A  
24 CITY RECEIVES FUNDS AS A GRANT FOR SITE PREPARATION PURPOSES IN  
25 CONNECTION WITH PROPERTY PURCHASED PURSUANT TO THIS ACT, EACH  
26 city, county and school district shall agree to repay the  
27 capital budget moneys forwarded pursuant to this program by  
28 dedicating TO THE REPAYMENT EFFORT 50% of the amount of city, <—  
29 county and school district ~~real estate taxes levied from these~~ <—  
30 ~~properties to the repayment effort.~~ WAGE TAX FOR CITIES OF THE <—

1 FIRST CLASS AND EARNED INCOME TAX FOR CITIES OF THE SECOND CLASS  
2 ON THE OCCUPANT AT THE NEW PROPERTIES.

3 (d) Site development on conveyed property.--The ~~board~~ <—  
4 BOARDS, utilizing \$25,000,000 in capital budget moneys in the <—  
5 case of the ~~first class city~~ CITIES OF THE FIRST CLASS and <—  
6 \$15,000,000 in the case of the CITIES OF THE second class ~~city~~, <—  
7 shall perform the work as stated in subsection (c), EXCEPT WHEN <—  
8 SUCH FUNDS ARE PROVIDED AS A GRANT FROM THE DEPARTMENT TO A CITY  
9 PURSUANT TO SECTION 4(E).

10 (e) Request for proposals.--Simultaneously with ~~the~~ <—  
11 undertaking of ~~the~~ preliminary site development called for in <—  
12 subsection (d), the ~~board~~ BOARDS shall advertise for development <—  
13 proposals from public and private development entities,  
14 including, but not limited to, redevelopment authorities,  
15 housing authorities ~~and private developers. The board~~, PRIVATE <—  
16 DEVELOPERS AND NONPROFIT DEVELOPERS. PROOF OF FINANCIAL  
17 CREDIBILITY, FOR ALL BIDDING ORGANIZATIONS, SHALL BE INCLUDED  
18 WITH DEVELOPMENT PROPOSALS. THE BOARDS shall promulgate  
19 regulations regarding the criteria to be used in reviewing the  
20 proposals received. The promulgation of these regulations shall  
21 not be subject to the provisions of the act of June 25, 1982  
22 (P.L.633, No.181), known as the Regulatory Review Act.

23 (f) Selection of developers.--Upon review of the proposals  
24 received pursuant to subsection (e), the ~~board is authorized to~~ <—  
25 BOARDS MAY convey a property or groups of properties to a given <—  
26 developer for development WHEN THE COMMONWEALTH HOLDS TITLE TO <—  
27 THE PROPERTY. The conveyances shall occur for the consideration  
28 of \$1 per property. Simultaneously with the conveyance, a  
29 separate agreement shall be executed in which the developer  
30 agrees to develop the property within a given period of time and

1 pursuant to the specific development standards, all of which  
2 shall be detailed in regulations promulgated by the department.  
3 Promulgation of the regulations shall not be subject to the  
4 provisions of the Regulatory Review Act. Among other things, the  
5 regulations shall provide for reversion of title to the  
6 Commonwealth in the event the contract terms are breached by the  
7 developer. PROPOSALS WHICH PRESERVE OR EXPAND GREEN SPACE SHALL <—  
8 BE GIVEN PRIORITY IN THE REVIEW PROCESS.

9 Section 7. Fund.

10 (a) Establishment.--The Blight Remediation Fund is hereby  
11 established in the State Treasury. All money in the fund is  
12 hereby appropriated to the department on a continuing basis to  
13 carry out the provisions of this act.

14 (b) Administration.--The assets of the fund shall be  
15 preserved, invested and expended solely pursuant to and for the  
16 purposes set forth in this act.

17 Section 8. Funding.

18 Up to \$150,000,000 of the net proceeds of the sale of  
19 obligations authorized in a capital budget act ~~for the purposes~~ <—  
20 ~~of blight remediation~~ is hereby appropriated to the Department  
21 of Community and Economic Development for deposit into the fund  
22 established and to be used to implement the provisions of this  
23 act. To the extent moneys from this appropriation are expended  
24 pursuant to this act, the moneys shall be repaid, without  
25 interest, to the Commonwealth as soon as practicable pursuant to  
26 ~~section 9.~~ SECTION 9 EXCEPT: <—

27 (1) IN CONNECTION WITH MONEY PROVIDED FOR THE PURCHASE  
28 OF PROPERTY WHERE A CITY CONTRIBUTES AT LEAST 50% OF THE  
29 MONEY NEEDED TO PURCHASE THE PROPERTY USING SOURCES OTHER  
30 THAN MONEY RECEIVED FROM THE FUND; AND

1 (2) TO THE EXTENT A CITY RECEIVES FUNDS AS A GRANT FOR  
2 SITE PREPARATION PURPOSES IN CONNECTION WITH PROPERTY  
3 PURCHASED PURSUANT TO THIS ACT.

4 Section 9. Repayment of funds.

5 (a) Repayment.--Each city, COUNTY AND SCHOOL DISTRICT shall <—  
6 be responsible for the repayment of all Commonwealth funding it  
7 received directly pursuant to section 4(b), EXCEPT IN CONNECTION <—  
8 WITH MONEY PROVIDED FOR THE PURCHASE OF PROPERTY WHERE A CITY  
9 CONTRIBUTES AT LEAST 50% OF THE MONEY NEEDED TO PURCHASE THE  
10 PROPERTY USING SOURCES OTHER THAN MONEY RECEIVED FROM THE FUND,  
11 as well as the funds expended on its behalf by the board  
12 pursuant to section 6(d), within 20 years of the calendar year  
13 in which the expenditures were made. The ~~board~~ BOARDS shall <—  
14 advise each city of the year by which all repayments are to be  
15 made.

16 (b) Sources of repayment.--Repayment shall be made from any  
17 sources available to the respective cities, including positive  
18 city and school district real estate tax increments generated on  
19 the properties rehabilitated pursuant to the program. Each city  
20 shall determine the aggregate value of the property approved for  
21 and included in the program as of the calendar year in which  
22 funds are made available to the cities under section 4(c), which  
23 aggregate valuation shall constitute the tax increment base.  
24 With respect to each city, in any year in which its debt remains  
25 unpaid, AN AMOUNT EQUAL TO at least 50% of any positive tax <—  
26 increment generated in that year shall be utilized to make  
27 payment toward the outstanding debt.

28 Section 10. Effective date.

29 This act shall take effect immediately.