
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1582 Session of
2011

INTRODUCED BY TAYLOR, MILLER AND M. O'BRIEN, MAY 24, 2011

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MAY 24, 2011

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in municipal authorities, further
3 providing for purposes and powers.

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

6 Section 1. Section 5607(d)(27) and (g) of Title 53 of the
7 Pennsylvania Consolidated Statutes are amended to read:

8 § 5607. Purposes and powers.

9 * * *

10 (d) Powers.--Every authority may exercise all powers
11 necessary or convenient for the carrying out of the purposes set
12 forth in this section, including, but without limiting the
13 generality of the foregoing, the following rights and powers:

14 * * *

15 (27) (i) In the case of an authority created to provide
16 business improvements and administrative services, to
17 impose an assessment on each benefited property within a
18 business improvement district. This assessment shall be
19 based upon the estimated cost of the improvements [or]

1 and services in the district stated in the planning or
2 feasibility study and shall be determined by one of the
3 following methods:

4 (A) [By] The authority may determine an
5 assessment determined by multiplying the total
6 improvement [or] and service cost by the ratio of the
7 assessed value for real estate tax purposes of the
8 benefited property to the total assessed [valuation]
9 value of all benefited properties in the district.

10 (B) [By an assessment] The authority may
11 determine assessments upon the several properties in
12 the district in proportion to benefits as ascertained
13 by viewers appointed in accordance with municipal
14 law.

15 (C) If the district served by the authority
16 contains single-family residential properties,
17 residential cooperative properties or condominium
18 properties formed under 68 Pa.C.S. Pt. II Subpt. B
19 (relating to condominiums) and other properties, the
20 authority may elect to calculate assessments on the
21 following basis:

22 (I) The business improvement district
23 assessed value of each benefited single-family or
24 residential cooperative property shall be one-
25 half of the assessed value of the property for
26 real estate tax purposes.

27 (II) In the case of a condominium, the unit
28 owners' association formed under 68 Pa.C.S. Pt.
29 II, Subpt. B shall be assessed. Individual units
30 may not be assessed. The business improvement

1 district assessed value of the unit owners'
2 association shall be the sum of the assessed
3 value for real estate tax purposes of any real
4 estate owned by the association and such assessed
5 value of all units, including their undivided
6 interests in the common elements and any limited
7 common elements, except that the value of any
8 single-family residential unit shall be one-half
9 of such assessed value of the unit for real
10 estate tax purposes. In each condominium fee
11 charged to a unit owner, the unit owners'
12 association shall itemize that portion of the
13 authority's assessment that is included in the
14 fee to the unit owner.

15 (III) The district assessment shall be
16 calculated on each benefited single-family
17 residential property, benefited residential
18 cooperative property and benefited unit owners'
19 association by multiplying in each case the total
20 improvement and services cost by the ratio of the
21 district assessed value of the benefited single-
22 family residential property, benefited
23 residential cooperative property or benefited
24 unit owners' association to the sum of the
25 district assessed value of all benefited single-
26 family residential properties, the district
27 assessed value of all residential cooperative
28 properties, the district assessed value of all
29 benefited unit owners' associations and the
30 assessed value of all remaining benefited

1 properties in the business improvement district.

2 (IV) The remaining benefited properties
3 shall be assessed by multiplying in each case the
4 total improvement and services cost by the ratio
5 of the assessed value of the remaining benefited
6 property to the sum of the district assessed
7 value of all benefited single-family residential
8 properties, the district assessed value of all
9 residential cooperative properties, the district
10 assessed value of all benefited unit owners'
11 associations and the assessed value of all
12 remaining benefited properties in the business
13 improvement district.

14 (ii) An assessment or charge may not be made unless:

15 (A) An authority submits a plan for business
16 improvements and administrative services, together
17 with estimated costs and the proposed method of
18 assessments for business improvements and charges for
19 administrative services, to the municipality in which
20 the project is to be undertaken.

21 (B) The municipality approves the plan, the
22 estimated costs and the proposed method of assessment
23 and charges.

24 (iii) An authority may not assess charges against
25 the improved properties in an aggregate amount in excess
26 of the estimated cost.

27 (iv) An authority may by resolution authorize
28 payment of an assessment or charge in equal, annual or
29 more frequent installments over a fixed period of time
30 and bearing interest of 6% or less. If bonds, notes or

1 guarantees are used to raise revenue to provide for the
2 cost of improvements or services, the installments shall
3 not be payable beyond the term for which the bonds, notes
4 or guarantees are payable.

5 (v) Claims to secure the payment of assessments
6 shall be entered in the prothonotary's office of the
7 county at the same time and in the same form and shall be
8 collected in the same manner as municipal claims are
9 filed and collected notwithstanding the provisions of
10 this section as to installment payments.

11 (vi) In case of default of 60 days or more after an
12 installment is due, the entire assessment and interest
13 shall be due.

14 (vii) An owner of property against whom an
15 assessment has been made may pay the assessment in full
16 at any time along with accrued interest and costs. Upon
17 proof of payment the lien shall be discharged.

18 (viii) For purposes of determining assessments in
19 accordance with subparagraph(i) (A) and (C), the assessed
20 value of a benefited property shall be without reduction
21 for any value attributable to improvements for which an
22 exemption or abatement has been granted under law.

23 (ix) Any claim entered to secure the payment of an
24 assessment against a unit owners' association shall be
25 enforceable as a judgment for money against the unit
26 owners' association within the meaning of and under the
27 provisions of 68 Pa.C.S. § 3319 (relating to other liens
28 affecting the condominium). An authority shall discharge
29 a lien against a unit owners' association to the extent
30 that it constitutes a lien on a particular unit upon

1 proof of payment, either to the unit owners' association
2 or to the authority, by the owner of the particular unit
3 of his itemized share of the assessment on the unit
4 owners' association.

5 * * *

6 (g) Authorization to make business improvements and provide
7 administrative services.--An authority may be established to
8 make business improvements or provide administrative services in
9 districts designated by a municipality or by municipalities
10 acting jointly and zoned commercial or used for general
11 commercial purposes or in contiguous areas if the inclusion of a
12 contiguous area is directly related to the improvements and
13 services proposed by the authority. The authority shall make
14 planning or feasibility studies to determine needed improvements
15 or administrative services. The following shall also apply:

16 (1) The authority shall be required to hold a public
17 hearing on the proposed improvement or service, the estimated
18 costs thereof and the proposed method of assessment and
19 charges. Notice of the hearing shall be advertised at least
20 ten days before it occurs in a newspaper whose circulation is
21 within the municipality where the authority is established.
22 At the public hearing any interested party may be heard.

23 (2) Written notice of the proposed improvement or
24 service, its estimated cost, the proposed method of
25 assessment and charges and project cost to individual
26 property owners shall be given to each property owner and
27 commercial lessee in benefited properties in the district at
28 least 30 days prior to the public hearing.

29 (3) [The] Except as otherwise provided in paragraph (4),
30 the authority shall take no action on proposed improvement or

1 service if objection is made in writing by:

2 (i) persons representing the ownership of one-third
3 of the benefited properties in the district; or [by]

4 (ii) property owners of the proposed district whose
5 property valuation as assessed for taxable purposes shall
6 amount to more than one-third of the total property
7 valuation of the district.

8 (4) In the case of an authority that has elected to make
9 assessments under subsection (d) (27) (i) (C), the objections in
10 writing must be made by either:

11 (i) one-third of the owners of benefited commercial
12 properties; or

13 (ii) owners of properties representing one-third of
14 the amount of all business improvement district
15 assessments for the first year of the proposed plan and
16 budget after the reduction in district assessments under
17 subsection (d) (27) (i) (C).

18 For purposes of calculating one-third of the benefited
19 commercial properties, the term benefited commercial
20 properties shall include all nonresidential property, each
21 condominium association formed under 68 Pa.C.S. Pt. II,
22 Subpt. B as one property and may not include any individual
23 condominium so formed nor any single-family residential
24 property.

25 (5) Objection [shall] must be made within 45 days after
26 the conclusion of the public hearing. Objections must be in
27 writing, signed and filed in the office of the governing body
28 of the municipality in which the district is located and in
29 the registered office of the authority.

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