

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1582 Session of 2011

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

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, SEPTEMBER 28, 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

1 based upon the estimated cost of the improvements [or]
2 and services in the district stated in the planning or
3 feasibility study and shall be determined by one of the
4 following methods:

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

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

16 (C) If the district served by the authority
17 contains single-family residential properties,
18 INCLUDING THOSE THAT ARE PART OF A PLANNED UNIT ←
19 DEVELOPMENT, residential cooperative properties or
20 condominium properties formed under 68 Pa.C.S. Pt. II
21 Subpt. B (relating to condominiums) and other
22 properties, the authority may elect to calculate
23 assessments ~~on the~~ BASED ON ALL OF THE following ←
24 basis: ←

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

30 (II) In the case of a condominium, the unit

1 owners' association formed under 68 Pa.C.S. Pt.
2 II, Subpt. B shall be assessed. Individual units
3 may not be assessed. The business improvement
4 district assessed value of the unit owners'
5 association shall be the sum of the assessed
6 value for real estate tax purposes of any real
7 estate owned by the association and such assessed
8 value of all units, including their undivided
9 interests in the common elements and any limited
10 common elements, except that the value of any
11 single-family residential unit shall be one-half
12 of such assessed value of the unit for real
13 estate tax purposes. In each condominium fee ←
14 charged to a unit owner, the unit owners'
15 association shall itemize that portion of the
16 authority's assessment that is included in the
17 fee to the unit owner. THE AUTHORITY SHALL ←
18 PROVIDE TO THE UNIT OWNERS' ASSOCIATION THE
19 CALCULATION OF THE BUSINESS IMPROVEMENT DISTRICT
20 ASSESSED VALUE OF THE UNIT OWNERS' ASSOCIATION,
21 ITEMIZING THE ASSESSED VALUE OF EACH UNIT AS
22 PROVIDED IN THIS CLAUSE. THE UNIT OWNERS'
23 ASSOCIATION SHALL ADD TO THE CONDOMINIUM FEE
24 CHARGED TO A UNIT OWNER THE ASSESSED VALUE OF THE
25 UNIT AND THE AMOUNT OF THE DISTRICT ASSESSMENT
26 ATTRIBUTABLE TO THE UNIT.
27 (III) The district assessment shall be
28 calculated on each benefited single-family
29 residential property, benefited residential
30 cooperative property and benefited unit owners'

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

14 (IV) The remaining benefited properties
15 shall be assessed by multiplying in each case the
16 total improvement and services cost by the ratio
17 of the assessed value of the remaining benefited
18 property to the sum of the district assessed
19 value of all benefited single-family residential
20 properties, the district assessed value of all
21 residential cooperative properties, the district
22 assessed value of all benefited unit owners'
23 associations and the assessed value of all
24 remaining benefited properties in the business
25 improvement district.

26 (V) AN ELECTION BY AN AUTHORITY UNDER THIS
27 CLAUSE SHALL NOT BE REVOKED EXCEPT THROUGH THE
28 PROCEDURES STATED IN SUBPARAGRAPH (II) AND
29 SUBSECTION (G).

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

1 (A) An authority submits a plan for business
2 improvements and administrative services, together
3 with estimated costs and the proposed method of
4 assessments for business improvements and charges for
5 administrative services, to the municipality in which
6 the project is to be undertaken.

7 (B) The municipality approves the plan, the
8 estimated costs and the proposed method of assessment
9 and charges.

10 (iii) An authority may not assess charges against
11 the improved properties in an aggregate amount in excess
12 of the estimated cost.

13 (iv) An authority may by resolution authorize
14 payment of an assessment or charge in equal, annual or
15 more frequent installments over a fixed period of time
16 and bearing interest of 6% or less. If bonds, notes or
17 guarantees are used to raise revenue to provide for the
18 cost of improvements or services, the installments shall
19 not be payable beyond the term for which the bonds, notes
20 or guarantees are payable.

21 (v) Claims to secure the payment of assessments
22 shall be entered in the prothonotary's office of the
23 county at the same time and in the same form and shall be
24 collected in the same manner as municipal claims are
25 filed and collected notwithstanding the provisions of
26 this section as to installment payments.

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

30 (vii) An owner of property against whom an

1 assessment has been made may pay the assessment in full
2 at any time along with accrued interest and costs. Upon
3 proof of payment the lien shall be discharged.

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

9 (ix) Any claim entered to secure the payment of an
10 assessment against a unit owners' association shall be
11 enforceable as a judgment for money against the unit
12 owners' association within the meaning of and under the
13 provisions of 68 Pa.C.S. § 3319 (relating to other liens
14 affecting the condominium), PROVIDED THAT IF AN ←
15 ASSESSMENT AGAINST A UNIT OWNERS' ASSOCIATION IS PAID IN
16 PART AND THE UNIT OWNERS' ASSOCIATION SPECIFIES IN
17 WRITING TO THE AUTHORITY THE UNITS WITH RESPECT TO WHICH
18 FULL PAYMENT WAS MADE, THE CLAIM SHALL NOT BE ENFORCEABLE
19 AGAINST UNITS WITH RESPECT TO WHICH FULL PAYMENT WAS MADE
20 OR AGAINST THE UNIT OWNERS' ASSOCIATION. An authority
21 shall discharge a lien against a unit owners' association
22 to the extent that it constitutes a lien on a particular
23 unit upon proof of payment, either to the unit owners'
24 association or to the authority, by the owner of the
25 particular unit of his itemized share of the assessment
26 on the unit owners' association.

27 * * *

28 (g) Authorization to make business improvements and provide
29 administrative services.--An authority may be established to
30 make business improvements or provide administrative services in

1 districts designated by a municipality or by municipalities
2 acting jointly and zoned commercial or used for general
3 commercial purposes or in contiguous areas if the inclusion of a
4 contiguous area is directly related to the improvements and
5 services proposed by the authority. The authority shall make
6 planning or feasibility studies to determine needed improvements
7 or administrative services. The following shall also apply:

8 (1) The authority shall be required to hold a public
9 hearing on the proposed improvement or service, the estimated
10 costs thereof and the proposed method of assessment and
11 charges. Notice of the hearing shall be advertised at least
12 ten days before it occurs in a newspaper whose circulation is
13 within the municipality where the authority is established.
14 At the public hearing any interested party may be heard.

15 (2) Written notice of the proposed improvement or
16 service, its estimated cost, the proposed method of
17 assessment and charges and project cost to individual
18 property owners shall be given to each property owner and
19 commercial lessee in benefited properties in the district at
20 least 30 days prior to the public hearing.

21 (3) [The] Except as otherwise provided in paragraph (4),
22 the authority shall take no action on proposed improvement or
23 service if objection is made in writing by:

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

26 (ii) property owners of the proposed district whose
27 property valuation as assessed for taxable purposes shall
28 amount to more than one-third of the total property
29 valuation of the district.

30 (4) In the case of an authority that has elected to make

1 assessments under subsection (d) (27) (i) (C), the objections in
2 writing must be made by either:

3 (i) one-third of the owners of benefited commercial
4 properties; or

5 (ii) owners of properties representing one-third of
6 the amount of all business improvement district
7 assessments for the first year of the proposed plan and
8 budget after the reduction in district assessments under
9 subsection (d) (27) (i) (C).

10 For purposes of calculating one-third of the benefited
11 commercial properties, the term benefited commercial
12 properties shall include all nonresidential property, each
13 condominium association formed under 68 Pa.C.S. Pt. II,
14 Subpt. B as one property and may not include any individual
15 condominium so formed nor any single-family residential
16 property.

17 (5) Objection [shall] must be made within 45 days after
18 the conclusion of the public hearing. Objections must be in
19 writing, signed and filed in the office of the governing body
20 of the municipality in which the district is located and in
21 the registered office of the authority.

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