

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1582 Session of 2011

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

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS AMENDED, JANUARY 23, 2012

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 based on all of the following:

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

29 (II) In the case of a condominium, the unit
30 owners' association formed under 68 Pa.C.S. Pt.

1 II, Subpt. B shall be assessed. Individual units
2 may not be assessed. The business improvement
3 district assessed value of the unit owners'
4 association shall be the sum of the assessed
5 value for real estate tax purposes of any real
6 estate owned by the association and such assessed
7 value of all units, including their undivided
8 interests in the common elements and any limited
9 common elements, except that the value of any
10 single-family residential unit shall be one-half
11 of such assessed value of the unit for real
12 estate tax purposes. The authority shall provide
13 to the unit owners' association the calculation
14 of the business improvement district assessed
15 value of the unit owners' association, itemizing
16 the assessed value of each unit as provided in
17 this clause. The unit owners' association shall
18 add to the condominium fee charged to a unit
19 owner ~~the assessed value of the unit and the~~ ←
20 amount of the district assessment attributable to
21 the unit WHICH AMOUNT SHALL BE SEPARATELY ←
22 ITEMIZED ON ANY ASSESSMENT, INVOICE, BILL OR
23 OTHER DOCUMENT PRESENTED TO THE UNIT OWNER FOR
24 PAYMENT OF THE CONDOMINIUM FEE.

25 (III) The district assessment shall be
26 calculated on each benefited single-family
27 residential property, benefited residential
28 cooperative property and benefited unit owners'
29 association by multiplying in each case the total
30 improvement and services cost by the ratio of the

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

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

24 (V) An election by an authority under this
25 clause shall not be revoked except through the
26 procedures stated in subparagraph (ii) and
27 subsection (g).

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

29 (A) An authority submits a plan for business
30 improvements and administrative services, together

1 with estimated costs and the proposed method of
2 assessments for business improvements and charges for
3 administrative services, to the municipality in which
4 the project is to be undertaken.

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

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

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

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

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

28 (vii) An owner of property against whom an
29 assessment has been made may pay the assessment in full
30 at any time along with accrued interest and costs. Upon

1 proof of payment the lien shall be discharged.

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

7 (ix) Any claim entered to secure the payment of an
8 assessment against a unit owners' association shall be
9 enforceable as a judgment for money against the unit
10 owners' association within the meaning of and under the
11 provisions of 68 Pa.C.S. § 3319 (relating to other liens
12 affecting the condominium), provided that if an
13 assessment against a unit owners' association is paid in
14 part and the unit owners' association specifies in
15 writing to the authority the units with respect to which
16 full payment was made, the claim shall not be enforceable
17 against units with respect to which full payment was made
18 or against the unit owners' association. An authority
19 shall discharge a lien against a unit owners' association
20 to the extent that it constitutes a lien on a particular
21 unit upon proof of payment, either to the unit owners'
22 association or to the authority, by the owner of the
23 particular unit of his itemized share of the assessment
24 on the unit owners' association.

25 * * *

26 (g) Authorization to make business improvements and provide
27 administrative services.--An authority may be established to
28 make business improvements or provide administrative services in
29 districts designated by a municipality or by municipalities
30 acting jointly and zoned commercial or used for general

1 commercial purposes or in contiguous areas if the inclusion of a
2 contiguous area is directly related to the improvements and
3 services proposed by the authority. The authority shall make
4 planning or feasibility studies to determine needed improvements
5 or administrative services. The following shall also apply:

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

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

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

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

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

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

1 (i) one-third of the owners of benefited commercial
2 properties; or

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

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

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

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