

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 584 Session of 2017

INTRODUCED BY GILLESPIE, LONGIETTI, V. BROWN, MILLARD, GROVE, MILNE, ZIMMERMAN AND RADER, FEBRUARY 24, 2017

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, DECEMBER 12, 2017

AN ACT

1 ~~Amending Titles 64 (Public Authorities and Quasi Public~~ <--
2 ~~Corporations) and 72 (Taxation and Fiscal Affairs) of the~~
3 ~~Pennsylvania Consolidated Statutes, in Title 64, providing~~
4 ~~for community development authorities; and, in Title 72,~~
5 ~~providing for microenterprise assistance.~~

6 AMENDING TITLE 72 (TAXATION AND FISCAL AFFAIRS) OF THE <--
7 PENNSYLVANIA CONSOLIDATED STATUTES, ESTABLISHING
8 MICROENTERPRISE LOAN PROGRAMS AND ABATING REAL PROPERTY
9 ASSESSMENT.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 ~~Section 1. Title 64 of the Pennsylvania Consolidated~~ <--
13 ~~Statutes is amended by adding a chapter to read:~~

CHAPTER 17

COMMUNITY DEVELOPMENT AUTHORITIES

16 Sec.

17 1701. Scope of chapter.

18 1702. Legislative findings and purpose.

19 1703. Definitions.

20 1704. Creation and existence.

21 1705. Board.

1 ~~1706. Staff.~~
2 ~~1707. Powers.~~
3 ~~1708. Eminent domain.~~
4 ~~1709. Acquisition of property.~~
5 ~~1710. Disposition of property.~~
6 ~~1711. Financing of authority operations.~~
7 ~~1712. Microenterprise loans.~~
8 ~~1713. Borrowing and issuance of bonds.~~
9 ~~1714. Public records and public access.~~
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11 ~~1716. Dissolution of authority.~~
12 ~~1717. Conflicts of interest.~~
13 ~~1718. Construction, intent and scope.~~
14 ~~1719. Annual audit and report.~~
15 ~~1720. Cost sharing.~~

16 ~~§ 1701. Scope of chapter.~~

17 ~~This chapter relates to community development authorities.~~

18 ~~§ 1702. Legislative findings and purpose.~~

19 ~~The General Assembly finds and declares that:~~

20 ~~(1) Strong communities are important to the social and~~
21 ~~economic vitality of this Commonwealth. Whether urban,~~
22 ~~suburban or rural, many communities are struggling to cope~~
23 ~~with vacant, abandoned and tax delinquent properties.~~

24 ~~(2) Citizens of this Commonwealth are affected adversely~~
25 ~~by vacant, abandoned and tax delinquent properties.~~

26 ~~(3) Vacant, abandoned and tax delinquent properties~~
27 ~~impose significant costs on neighborhoods, communities and~~
28 ~~municipalities by lowering property values, increasing fire~~
29 ~~and police protection costs, decreasing tax revenues and~~
30 ~~undermining community cohesion.~~

1 ~~(4) There is an overriding public need to confront the~~
2 ~~problems caused by vacant, abandoned and tax delinquent~~
3 ~~properties through the creation of new tools to enable~~
4 ~~municipalities to turn vacant, abandoned and tax delinquent~~
5 ~~spaces into vibrant places.~~

6 ~~(5) Community development authorities are one of the~~
7 ~~tools that municipalities may use to facilitate the return of~~
8 ~~vacant, abandoned and tax delinquent properties to productive~~
9 ~~use.~~

10 ~~(6) One tool available to community development~~
11 ~~authorities is leasing to microenterprises. Microenterprises~~
12 ~~are part of the small business engine that forms the backbone~~
13 ~~of our national and State economies.~~

14 ~~(7) Community development authorities, by considering~~
15 ~~current land use plans, can serve to help communities grow~~
16 ~~and prosper through targeted enterprises.~~

17 ~~(8) By providing support for microenterprises, a~~
18 ~~powerful mechanism for job creation is strengthened and a~~
19 ~~viable tool is made available to revitalize struggling~~
20 ~~neighborhoods and improve the standard of living for~~
21 ~~impoverished citizens of this Commonwealth. The support of~~
22 ~~microenterprises will provide those in poverty an opportunity~~
23 ~~for an improved and more prosperous lifestyle while~~
24 ~~decreasing the number of individuals receiving public~~
25 ~~assistance.~~

26 ~~§ 1703. Definitions.~~

27 ~~The following words and phrases when used in this chapter~~
28 ~~shall have the meanings given to them in this section unless the~~
29 ~~context clearly indicates otherwise:~~

30 ~~"Area loan organization." A local development district or~~

~~1 any other nonprofit economic development organization certified
2 by the department as possessing the qualifications necessary to
3 evaluate and administer loans made under this chapter.~~

~~4 "Authority." A community development authority.~~

~~5 "Board." The board of directors of a community development
6 authority.~~

~~7 "Community development authority." A public body and a body
8 corporate and politic established under section 1704 (relating
9 to creation and existence), 53 Pa.C.S. Ch. 56 (relating to
10 municipal authorities) or the act of May 24, 1945 (P.L.991,
11 No.385), known as the Urban Redevelopment Law.~~

~~12 "Community development authority jurisdiction." Any of the
13 following:~~

~~14 (1) A municipality with a population of more than
15 10,000.~~

~~16 (2) Two or more municipalities comprising an area with a
17 population of more than 10,000 that is geographically
18 contiguous and located in the same county, if the
19 municipalities enter into an intergovernmental cooperation
20 agreement to establish and maintain a community development
21 authority.~~

~~22 "Community development financial institution." A community
23 development financial institution certified in accordance with
24 the Community Development Banking and Financial Institutions Act
25 of 1994 (Public Law 103 325, 108 Stat. 2163).~~

~~26 "Department." The Department of Community and Economic
27 Development of the Commonwealth.~~

~~28 "Financial institution." A bank, savings association,
29 operating subsidiary of a bank or savings association, community
30 development financial institution, credit union, association~~

1 ~~licensed to originate mortgage loans or an assignee of a~~
2 ~~mortgage or note originated by such an institution.~~

3 ~~"Low income." A household with total income at or below 80%~~
4 ~~of the area median income, adjusted for household size, as~~
5 ~~defined annually by the United States Department of Housing and~~
6 ~~Urban Development.~~

7 ~~"Microenterprise." A business operated by a sole proprietor~~
8 ~~or limited liability company that employs one to five employees~~
9 ~~and has the qualifying amount of capital provided under the~~
10 ~~Small Business Jobs Act of 2010 (Public Law 111-240, 124 Stat.~~
11 ~~2504).~~

12 ~~"Municipal authority." An authority established under 53-~~
13 ~~Pa.C.S. Ch. 56 (relating to municipal authorities).~~

14 ~~"Municipality." A county, city, borough, incorporated town,~~
15 ~~township or home rule municipality.~~

16 ~~"Partnership." A partnership between a commercial or~~
17 ~~nonprofit entity and an authority for the training of start up~~
18 ~~entrepreneurs. The term includes a partnership between an~~
19 ~~authority and a nonprofit, commercial or religious entity the~~
20 ~~sole purpose of which is to use the building space of the entity~~
21 ~~for the training of start up entrepreneurs.~~

22 ~~"Political subdivision." Any county, city, borough,~~
23 ~~incorporated town, township, school district, vocational school~~
24 ~~district and county institution district.~~

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

28 ~~"Redevelopment authority." A redevelopment authority~~
29 ~~established under the act of May 24, 1945 (P.L.991, No.385),~~
30 ~~known as the Urban Redevelopment Law.~~

1 ~~"School district." Any of the classifications of school~~
2 ~~districts specified in section 202 of the act of March 10, 1949~~
3 ~~(P.L.30, No.14), known as the Public School Code of 1949. The~~
4 ~~term includes, as to any real property acquired, owned or~~
5 ~~conveyed by an authority, the school district within whose~~
6 ~~geographical jurisdiction the real property is located.~~

7 ~~"Secretary." The Secretary of Community and Economic~~
8 ~~Development of the Commonwealth.~~

9 ~~"Start-up entrepreneur." An individual who establishes a~~
10 ~~microenterprise.~~

11 ~~§ 1704. Creation and existence.~~

12 ~~(a) Authority. A community development authority~~
13 ~~jurisdiction may elect to create an authority by the adoption of~~
14 ~~an ordinance to create a binding legal obligation. The ordinance~~
15 ~~must specify the following:~~

16 ~~(1) The number of members of the board.~~

17 ~~(2) The names of individuals to serve as initial members~~
18 ~~of the board and the length of terms which they will serve.~~

19 ~~(3) The qualifications, manner of selection or~~
20 ~~appointment and terms of office of members of the board.~~

21 ~~(4) The manner by which residents will be provided an~~
22 ~~opportunity to have input into the authority decision making~~
23 ~~process.~~

24 ~~(5) Additional terms and conditions the community~~
25 ~~development authority jurisdiction deems reasonable and~~
26 ~~necessary for operation of the authority.~~

27 ~~(b) Filing. The governing body of the community development~~
28 ~~authority jurisdiction which creates an authority shall file a~~
29 ~~copy of the ordinance with the department and with the~~
30 ~~Department of State. After receipt of the ordinance, the~~

1 ~~Secretary of the Commonwealth shall issue a certificate of~~
2 ~~incorporation.~~

3 ~~(c) Combinations.~~

4 ~~(1) The authority under subsection (a) may be exercised~~
5 ~~in combination under an intergovernmental cooperation~~
6 ~~agreement by:~~

7 ~~(i) more than one community development authority~~
8 ~~jurisdiction; or~~

9 ~~(ii) a community development authority jurisdiction~~
10 ~~and one or more municipalities.~~

11 ~~(2) If an authority is established under paragraph (1),~~
12 ~~the intergovernmental cooperation agreement must specify~~
13 ~~matters identified in subsection (a).~~

14 ~~(d) Limitation. Except as set forth in subsection (c), if a~~
15 ~~county establishes an authority, the authority shall have the~~
16 ~~power to acquire real property only in those portions of the~~
17 ~~county located outside of the geographical boundaries of any~~
18 ~~other authority established by another community development~~
19 ~~authority jurisdiction located partially or entirely within the~~
20 ~~county.~~

21 ~~(e) Legal status of authority. An authority shall:~~

22 ~~(1) be a public body corporate and politic; and~~

23 ~~(2) have duration until terminated and dissolved under~~
24 ~~section 1716 (relating to dissolution of authority).~~

25 ~~(f) Collaboration. An authority and political subdivision~~
26 ~~and another municipal entity, municipal authority or~~
27 ~~redevelopment authority may enter into an intergovernmental~~
28 ~~cooperation agreement relative to the operations of an~~
29 ~~authority.~~

30 ~~§ 1705. Board.~~

1 ~~(a) Membership. A board shall consist of at least 11~~
2 ~~members. Unless restricted by the actions or agreements~~
3 ~~specified in section 1704 (relating to creation and existence)~~
4 ~~and subject to the limits stated in this section, the size of~~
5 ~~the board may be adjusted in accordance with bylaws of the~~
6 ~~authority, provided that the board consist of an odd number of~~
7 ~~members. The board must include an experienced loan officer and~~
8 ~~individuals qualified to properly administer a community~~
9 ~~development fund established under section 1711(d) (relating to~~
10 ~~financing of authority operations).~~

11 ~~(b) Eligibility to serve on board.~~

12 ~~(1) Notwithstanding any law to the contrary, a public~~
13 ~~officer shall not be eligible to serve as a board member.~~

14 ~~(2) A municipal employee shall not be eligible to serve~~
15 ~~as a board member.~~

16 ~~(3) The governing body of a municipality and a school~~
17 ~~district which are parties to an intergovernmental~~
18 ~~cooperation agreement establishing an authority may nominate~~
19 ~~two members to the board who meet the qualifications for~~
20 ~~board members under this section. The following apply:~~

21 ~~(i) A nomination recommendation may be made to the~~
22 ~~governing body by a financial institution, nonprofit~~
23 ~~organization or other entity that represents the~~
24 ~~interests of the community.~~

25 ~~(ii) Nominations under this paragraph may only be~~
26 ~~made following establishment of the board and are subject~~
27 ~~to board approval.~~

28 ~~(iii) A nominee under this paragraph may not be a~~
29 ~~relative of a public official.~~

30 ~~(4) An established authority board shall include at~~

1 ~~least one voting member who:~~

2 ~~(i) is a resident of the community development~~
3 ~~authority jurisdiction;~~

4 ~~(ii) is an appointee of the chief executive officer~~
5 ~~of the authority's authorizing jurisdiction;~~

6 ~~(iii) is an appointee of the governing body of the~~
7 ~~authority's authorizing jurisdiction;~~

8 ~~(iv) is an appointee of the secretary;~~

9 ~~(v) is a representative of a reputable financial~~
10 ~~institution; and~~

11 ~~(vi) maintains membership with a recognized civic~~
12 ~~organization within the community development authority~~
13 ~~jurisdiction.~~

14 ~~(5) A member removed under subsection (d) (3) shall be~~
15 ~~ineligible for reappointment to the board unless the~~
16 ~~reappointment is confirmed unanimously by the board.~~

17 ~~(6) As used in this subsection, the term "public~~
18 ~~officer" means an individual who is elected to a municipal~~
19 ~~office.~~

20 ~~(c) Officers. The members of the board shall select~~
21 ~~annually from among their members a chairperson, vice~~
22 ~~chairperson, secretary, treasurer and other officers as the~~
23 ~~board determines.~~

24 ~~(d) Rules. The board shall establish rules on all of the~~
25 ~~following:~~

26 ~~(1) Duties of officers under subsection (c).~~

27 ~~(2) Attendance and participation of members in its~~
28 ~~regular and special meetings.~~

29 ~~(3) A procedure to remove a member by a majority vote of~~
30 ~~the other members for failure to comply with a rule.~~

1 ~~(4) Other matters necessary to govern the conduct of an~~
2 ~~authority.~~

3 ~~(e) Vacancies. A vacancy on the board shall be filled in~~
4 ~~the same manner as the original appointment. Upon removal under~~
5 ~~subsection (d) (3), the position shall become vacant.~~

6 ~~(f) Compensation. Board members shall serve without~~
7 ~~compensation. The board may reimburse a member for expenses~~
8 ~~actually incurred in the performance of duties on behalf of the~~
9 ~~authority.~~

10 ~~(g) Meetings.~~

11 ~~(1) The board shall meet as follows:~~

12 ~~(i) In regular session according to a schedule~~
13 ~~adopted by the board.~~

14 ~~(ii) In special session:~~

15 ~~(A) as convened by the chairperson; or~~

16 ~~(B) upon written notice signed by a majority of~~
17 ~~the members.~~

18 ~~(2) A majority of the board, excluding vacancies,~~
19 ~~constitutes a quorum. Physical presence is required under~~
20 ~~this paragraph.~~

21 ~~(h) Voting.~~

22 ~~(1) Except as set forth in paragraph (2) or (3), action~~
23 ~~of the board must be approved by the affirmative vote of a~~
24 ~~majority of the board present and voting.~~

25 ~~(2) Action of the board on the following matters must be~~
26 ~~approved by a majority of the entire board membership:~~

27 ~~(i) Adoption of bylaws.~~

28 ~~(ii) Adoption of rules under subsection (d).~~

29 ~~(iii) Hiring or firing of an employee or contractor~~
30 ~~of the authority. This function may, by majority vote of~~

~~the entire board membership, be delegated by the board to a specified officer or committee of the authority.~~

~~(iv) Incurring of debt.~~

~~(v) Adoption or amendment of the annual budget.~~

~~(vi) Sale, lease, encumbrance or alienation of real property or personal property with a value of more than \$50,000.~~

~~(3) A resolution under section 1716 (relating to dissolution of authority) must be approved by two thirds of the entire board membership.~~

~~(4) A member of the board may not vote by proxy.~~

~~(5) A member may request a recorded vote on any resolution or action of the authority.~~

~~(i) Immunity. A community development authority jurisdiction which establishes an authority and a municipality and a school district which are parties to an intergovernmental cooperation agreement establishing an authority shall not be liable personally on the bonds or other obligations of the authority. Rights of creditors of an authority shall be solely against the authority.~~

~~§ 1706. Staff.~~

~~(a) Employees. An authority may employ or enter into a contract for an executive director, counsel and legal staff, financial personnel to underwrite and manage loans issued by the authority, technical experts and other individuals and may determine the qualifications and fix the compensation and benefits of those employees.~~

~~(b) Contracts. An authority may enter into a contract with a municipality for:~~

~~(1) the municipality to provide staffing services to the~~

1 ~~authority; or~~

2 ~~(2) the authority to provide staffing services to the~~
3 ~~municipality.~~

4 ~~(c) Cost. The cost for administering an authority may not~~
5 ~~exceed 10% of the authority's operating budget.~~

6 ~~§ 1707. Powers.~~

7 ~~(a) General rule. An authority constitutes a public body,~~
8 ~~corporate and politic, exercising public powers of the~~
9 ~~Commonwealth necessary or appropriate to carry out this chapter,~~
10 ~~including the following powers:~~

11 ~~(1) To adopt, amend and repeal bylaws for the regulation~~
12 ~~of its affairs and the conduct of its business.~~

13 ~~(2) To sue and be sued in its own name and be a party in~~
14 ~~a civil action. This paragraph includes an action to clear~~
15 ~~title to property of the authority.~~

16 ~~(3) To adopt a seal and to alter the same at pleasure.~~

17 ~~(4) To borrow from Federal Government funds, from the~~
18 ~~Commonwealth, from private lenders or from municipalities, as~~
19 ~~necessary, for the operation and work of the authority.~~

20 ~~(5) To issue negotiable revenue bonds and notes~~
21 ~~according to the provisions of this chapter.~~

22 ~~(6) To enter into contracts and other instruments~~
23 ~~necessary, incidental or convenient to the performance of its~~
24 ~~duties and the exercise of its powers. This paragraph~~
25 ~~includes intergovernmental cooperation agreements under 53~~
26 ~~Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental~~
27 ~~cooperation) for the joint exercise of powers under this~~
28 ~~chapter.~~

29 ~~(7) To enter into contracts and intergovernmental~~
30 ~~cooperation agreements with municipalities for the~~

1 ~~performance of functions by municipalities on behalf of the~~
2 ~~authority or by the authority on behalf of municipalities.~~

3 ~~(8) To make and execute contracts and other instruments~~
4 ~~necessary or convenient to the exercise of the powers of the~~
5 ~~authority. Any contract or instrument signed shall be~~
6 ~~executed by and for the authority if the contract or~~
7 ~~instrument is signed, including an authorized facsimile~~
8 ~~signature, by:~~

9 ~~(i) the chairperson or vice chairperson of the~~
10 ~~authority; and~~

11 ~~(ii) either:~~

12 ~~(A) the secretary or assistant secretary of the~~
13 ~~authority; or~~

14 ~~(B) the treasurer or assistant treasurer of the~~
15 ~~authority.~~

16 ~~(9) To procure insurance against losses in connection~~
17 ~~with the real property, assets or activities of the~~
18 ~~authority.~~

19 ~~(10) To invest money of the authority at the discretion~~
20 ~~of the board in instruments, obligations, securities or~~
21 ~~property determined proper by the board and to name and use~~
22 ~~depositories for its money.~~

23 ~~(11) To enter into contracts for the management of, the~~
24 ~~collection of rent from or the sale of real property of the~~
25 ~~authority.~~

26 ~~(12) To design, develop, construct, demolish,~~
27 ~~reconstruct, rehabilitate, renovate, relocate and otherwise~~
28 ~~improve real property or rights or interests in real~~
29 ~~property.~~

30 ~~(13) To fix, charge and collect rents, fees and charges~~

1 ~~for the use of real property of the authority and for~~
2 ~~services provided by the authority.~~

3 ~~(14) To grant or acquire licenses, easements, leases or~~
4 ~~options with respect to real property of the authority.~~

5 ~~(15) To enter into partnerships, joint ventures and~~
6 ~~other collaborative relationships with municipalities and~~
7 ~~other public and private entities for the ownership,~~
8 ~~management, development and disposition of real property.~~

9 ~~(16) To organize and reorganize the executive,~~
10 ~~administrative, clerical and other departments of the~~
11 ~~authority and to fix the duties, powers and compensation of~~
12 ~~employees, agents and consultants of the authority.~~

13 ~~(17) To do all other things necessary or convenient to~~
14 ~~achieve the objectives and purposes of the authority or other~~
15 ~~law related to the purposes and responsibility of the~~
16 ~~authority.~~

17 ~~(b) Additional authority. In addition to the powers granted~~
18 ~~to an authority under subsection (a), an authority shall have~~
19 ~~the following powers:~~

20 ~~(1) To issue loans to microenterprises that will operate~~
21 ~~on property owned by the authority. The loan program shall~~
22 ~~target microenterprises of low income individuals.~~

23 ~~(2) To issue bonds for the purpose of repairing and~~
24 ~~improving structures owned by the authority. The bond or~~
25 ~~other obligation of an authority related to a bond shall not~~
26 ~~be a debt of a municipality or of the Commonwealth.~~

27 ~~(3) To negotiate for loans and grants from both public~~
28 ~~and private sources, provided that the Commonwealth does not~~
29 ~~guarantee these loans.~~

30 ~~(4) To make loans to low income start up entrepreneurs.~~

1 ~~§ 1708. Eminent domain.~~

2 ~~An authority does not possess the power of eminent domain.~~

3 ~~§ 1709. Acquisition of property.~~

4 ~~(a) Title to be held in its name. An authority shall hold~~
5 ~~in its own name all real property it acquires.~~

6 ~~(b) Tax exemption.~~

7 ~~(1) Except as set forth in paragraph (2), the real~~
8 ~~property of an authority and its income and operations are~~
9 ~~exempt from State and local tax.~~

10 ~~(2) Paragraph (1) does not apply to real property of an~~
11 ~~authority after the fifth consecutive year in which the real~~
12 ~~property is continuously leased to a private third party.~~
13 ~~However, real property shall continue to be exempt from State~~
14 ~~and local taxes if it is leased to a nonprofit or~~
15 ~~governmental agency at substantially less than fair market~~
16 ~~value. A nonprofit agency qualifies under this paragraph if~~
17 ~~it is acting within the scope and intent of this chapter to~~
18 ~~further the development of the community and assist in the~~
19 ~~creation of microenterprises.~~

20 ~~(c) Acquisitions from municipalities.~~

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

26 ~~(2) A municipality may transfer to an authority real~~
27 ~~property and interests in real property of the municipality~~
28 ~~on terms and conditions and according to procedures~~
29 ~~determined by the municipality as long as the real property~~
30 ~~is located within the jurisdiction of the authority.~~

1 ~~(3) A redevelopment authority located within a community~~
2 ~~development authority jurisdiction established under this~~
3 ~~chapter may, with the consent of the local governing body and~~
4 ~~without a redevelopment contract, convey property which it~~
5 ~~acquired before the effective date of this paragraph to the~~
6 ~~authority. A conveyance under this paragraph shall be with~~
7 ~~fee simple title, free of all liens and encumbrances.~~

8 ~~(d) Maintenance. An authority shall maintain all of its~~
9 ~~real property in accordance with the laws of this Commonwealth~~
10 ~~and ordinances of the jurisdiction in which the real property is~~
11 ~~located.~~

12 ~~(e) Prohibition.~~

13 ~~(1) Subject to the provisions of paragraph (2), an~~
14 ~~authority may not own or hold real property located outside~~
15 ~~the jurisdictional boundaries of the entities which created~~
16 ~~the authority under section 1704(c) (relating to creation and~~
17 ~~existence).~~

18 ~~(2) An authority may be granted authority pursuant to an~~
19 ~~intergovernmental cooperation agreement with a municipality~~
20 ~~to manage and maintain real property located within the~~
21 ~~jurisdiction of the municipality.~~

22 ~~(f) Tax claim bureaus. A tax claim bureau may transfer to~~
23 ~~an authority real property of the county held by the tax claim~~
24 ~~bureau, as trustee for the county.~~

25 ~~(g) Acquisition of tax delinquent properties. If authorized~~
26 ~~by the community development authority jurisdiction which~~
27 ~~created an authority or otherwise by intergovernmental~~
28 ~~cooperation agreement, an authority may accept donations of real~~
29 ~~property and extinguish delinquent claims for taxes as to the~~
30 ~~property under section 5.1 of the act of May 16, 1923 (P.L.207,~~

1 ~~No.153), referred to as the Municipal Claim and Tax Lien Law, or~~
2 ~~section 303 of the act of July 7, 1947 (P.L.1368, No.542), known~~
3 ~~as the Real Estate Tax Sale Law. For the purposes of this~~
4 ~~subsection, the authority shall have all rights and obligations~~
5 ~~of the municipality provided for in section 5.1 of the Municipal~~
6 ~~Claim and Tax Lien Law.~~

7 ~~(h) Donation to microenterprise. Notwithstanding any other~~
8 ~~provision of law to the contrary, if a tax delinquent property~~
9 ~~offered at judicial sale is not sold, the trustee may donate the~~
10 ~~property to an authority for the purpose of a microenterprise~~
11 ~~after written notification of the transfer to all interested~~
12 ~~parties.~~

13 ~~§ 1710. Disposition of property.~~

14 ~~(a) Public access to inventory. An authority shall maintain~~
15 ~~and make available for public review and inspection an inventory~~
16 ~~of real property held by the authority.~~

17 ~~(b) Power. The authority may convey, exchange, sell,~~
18 ~~transfer, lease, grant or mortgage interests in real property of~~
19 ~~the authority in the form and by the method determined to be in~~
20 ~~the best interests of the authority.~~

21 ~~(c) Consideration.~~

22 ~~(1) The authority shall determine the amount and form of~~
23 ~~consideration necessary to convey, exchange, sell, transfer,~~
24 ~~lease as lessor, grant or mortgage interests in real~~
25 ~~property.~~

26 ~~(2) Consideration may take the form of monetary payments~~
27 ~~and secured financial obligations, covenants and conditions~~
28 ~~related to the present and future use of the property,~~
29 ~~contractual commitments of the transferee and other forms of~~
30 ~~consideration as determined by the board to be in the best~~

1 ~~interest of the authority.~~

2 ~~(d) Policies and procedures.~~

3 ~~(1) A board shall determine and state in the authority~~
4 ~~policies and procedures the general terms and conditions for~~
5 ~~consideration to be received by the authority for the~~
6 ~~transfer of real property and interests in real property.~~

7 ~~(2) Requirements which may be applicable to the~~
8 ~~disposition of real property and interests in real property~~
9 ~~by municipalities shall not be applicable to the disposition~~
10 ~~of real property and interests in real property by the~~
11 ~~authority.~~

12 ~~(e) Land use plans. The authority shall consider all duly~~
13 ~~adopted land use plans and make reasonable efforts to coordinate~~
14 ~~the disposition of an authority's real property with such land~~
15 ~~use plans.~~

16 ~~(f) Specific voting and approval requirements.~~

17 ~~(1) A community development authority jurisdiction may,~~
18 ~~in its ordinance creating an authority or in the case of~~
19 ~~multiple community development authority jurisdictions and~~
20 ~~municipalities creating a single authority in the applicable~~
21 ~~intergovernmental cooperation agreement, require that a~~
22 ~~particular form of disposition of real property or a~~
23 ~~disposition of real property located within specified~~
24 ~~jurisdictions be subject to specified voting and approval~~
25 ~~requirements of the board.~~

26 ~~(2) Except as restricted or constrained under paragraph~~
27 ~~(1), the board may delegate to officers and employees the~~
28 ~~authority to enter into and execute agreements, instruments~~
29 ~~of conveyance and other related documents pertaining to the~~
30 ~~conveyance of real property by the authority.~~

1 ~~§ 1711. Financing of authority operations.~~

2 ~~(a) General rule. The authority may receive funding through~~
3 ~~grants and loans from:~~

4 ~~(1) the Federal Government;~~

5 ~~(2) the Commonwealth;~~

6 ~~(3) a municipality;~~

7 ~~(4) the community development authority jurisdiction~~
8 ~~which created the authority; and~~

9 ~~(5) private sources.~~

10 ~~(b) Funding. An authority may receive and retain payments~~
11 ~~for services rendered, for rents and leasehold payments~~
12 ~~received, for consideration for disposition of real and personal~~
13 ~~property, for proceeds of insurance coverage for losses~~
14 ~~incurred, for income from investments and for an asset and~~
15 ~~activity lawfully permitted to the authority under this chapter.~~

16 ~~(c) Allocated real property taxes.—~~

17 ~~(1) A community development authority may authorize the~~
18 ~~remittance or dedication of a portion of real property taxes~~
19 ~~collected pursuant to the laws of this Commonwealth to the~~
20 ~~authority on real property conveyed by an authority.~~

21 ~~(2) Allocation of property tax revenues in accordance~~
22 ~~with this subsection, if authorized by the community~~
23 ~~development authority jurisdiction, shall commence with the~~
24 ~~first taxable year following the date of conveyance and~~
25 ~~continue for a period of up to five years and may not exceed~~
26 ~~a maximum of 50% of the aggregate property tax revenues~~
27 ~~generated by the property.~~

28 ~~(3) Remittance or dedication of real property taxes~~
29 ~~shall include the real property taxes of a school district~~
30 ~~only if the school district enters into an agreement with the~~

1 ~~authority for the remittance or dedication.~~

2 ~~(d) Community development fund.~~

3 ~~(1) In accordance with the provisions of subsection (a),~~
4 ~~a municipality may establish, by ordinance, a community~~
5 ~~development fund. Money in a community development fund may~~
6 ~~be used to finance the operations of an authority, including:~~

7 ~~(i) Acquiring or selling tax delinquent and~~
8 ~~foreclosed properties in the municipality's jurisdiction,~~
9 ~~except that no more than 15% of the money in the account~~
10 ~~may be allocated to the authority for the purpose of~~
11 ~~selling foreclosed or tax delinquent properties under the~~
12 ~~act of May 24, 1945 (P.L.991, No.385), known as the Urban~~
13 ~~Redevelopment Law.~~

14 ~~(ii) Maintaining the authority's general fund~~
15 ~~budget.~~

16 ~~(iii) Remediating blighted properties and vacant~~
17 ~~properties in the municipality's jurisdiction in any~~
18 ~~manner decided upon by the board with consideration to~~
19 ~~current land use plans of the municipality.~~

20 ~~(iv) Financing the microloans offered by the~~
21 ~~authority to microenterprises operated on the property~~
22 ~~owned by the authority.~~

23 ~~(2) A municipality that establishes a community~~
24 ~~development fund shall deposit all of the following into the~~
25 ~~account:~~

26 ~~(i) Five dollars out of every \$100 generated by fees~~
27 ~~imposed on real property that is found to have any~~
28 ~~violations of a building code.~~

29 ~~(ii) Five dollars out of every \$100 generated by~~
30 ~~fees imposed on real property found to be in violation of~~

1 ~~zoning requirements.~~

2 ~~(iii) Five dollars out of every \$100 generated in~~
3 ~~building permit fees.~~

4 ~~(iv) Two dollars out of every \$100 collected on the~~
5 ~~liens placed against the owner of a property that is~~
6 ~~vacant, abandoned or blighted.~~

7 ~~§ 1712. Microenterprise loans.~~

8 ~~(a) Loan issuance.—~~

9 ~~(1) An authority may issue a loan to a microenterprise~~
10 ~~that operates on property owned by the authority.~~

11 ~~(2) An authority may partner with a private entity that~~
12 ~~issues microloans for the purpose of providing a loan under~~
13 ~~paragraph (1).~~

14 ~~(b) Loan applicants. For the purpose of reducing the~~
15 ~~financial risk involved in issuing a loan under subsection (a)~~
16 ~~(1) and providing loan applicants with the skills necessary to~~
17 ~~succeed, a loan applicant must complete business courses and~~
18 ~~workshops on operating a business, creating market strategy and~~
19 ~~customer interaction to be eligible to receive a loan.~~

20 ~~(c) Training resources.—~~

21 ~~(1) Upon request by an authority, the department shall~~
22 ~~assist the authority in identifying organizations that can~~
23 ~~provide the business training required under subsection (b)~~
24 ~~to loan applicants. The authority shall direct loan~~
25 ~~applicants to the organizations that provide the business~~
26 ~~training.~~

27 ~~(2) The authority may partner with a private entity,~~
28 ~~including commercial, nonprofit or religious entities~~
29 ~~specializing in training start up entrepreneurs, for any of~~
30 ~~the following:~~

1 ~~(i) Using the private entity's facilities or~~
2 ~~expertise to help loan applicants fulfill the business~~
3 ~~training required under subsection (b).~~

4 ~~(ii) Acquiring building space, whether the building~~
5 ~~space is leased or donated, for the purpose of conducting~~
6 ~~business training required under subsection (b).~~

7 ~~(3) The authority may enter into a contract with a~~
8 ~~private entity to expand the private entity's operations to~~
9 ~~provide the business training required under subsection (b).~~
10 ~~Funds may not be allocated to expand the private entity's~~
11 ~~operations to provide the business training required under~~
12 ~~subsection (b) unless the board approves the allocation of~~
13 ~~funds by a two thirds vote.~~

14 ~~(d) Loan terms.~~

15 ~~(1) If a loan payment becomes delinquent, the board~~
16 ~~shall offer a hardship agreement to the microenterprise to~~
17 ~~restructure the payment process.~~

18 ~~(2) Special priority shall be given to qualified~~
19 ~~veterans and minority applicants as determined by an area~~
20 ~~loan organization.~~

21 ~~§ 1713. Borrowing and issuance of bonds.~~

22 ~~(a) Authority.~~

23 ~~(1) An authority may issue a bond for any of its~~
24 ~~corporate purposes.~~

25 ~~(2) The principal and interest of a bond shall be~~
26 ~~payable from the authority's general revenue.~~

27 ~~(3) The bond may be secured by any of the following:~~

28 ~~(i) A pledge of revenue. This subparagraph includes~~
29 ~~a grant or contribution from:~~

30 ~~(A) The Federal Government or a Federal agency~~

1 ~~or instrumentality.~~

2 ~~(B) The Commonwealth, a Commonwealth agency or~~
3 ~~an instrumentality of the Commonwealth.~~

4 ~~(ii) A mortgage of property of the authority.~~

5 ~~(b) Nature. The bond must meet the requirements of 13-~~
6 ~~Pa.C.S. § 3104 (relating to negotiable instrument).~~

7 ~~(c) Tax exempt. A bond and the income from the bond is~~
8 ~~exempt from taxation by:~~

9 ~~(1) the Commonwealth; and~~

10 ~~(2) a political subdivision.~~

11 ~~(d) Procedure.—~~

12 ~~(1) A bond must be authorized by resolution of the board~~
13 ~~and shall be a limited obligation of the authority.~~

14 ~~(2) The principal and interest, costs of issuance and~~
15 ~~other costs incidental to the bond shall be payable solely~~
16 ~~from the income and revenue derived from the sale, lease or~~
17 ~~other disposition of the assets of the authority. The~~
18 ~~authority may secure the bond by a mortgage or other security~~
19 ~~device covering all or part of the project from which the~~
20 ~~pledged revenues may be derived.~~

21 ~~(3) A refunding bond issued under this section:~~

22 ~~(i) shall be payable from:~~

23 ~~(A) a source described in this chapter; or~~

24 ~~(B) the investment of the proceeds of the~~
25 ~~refunding bonds; and~~

26 ~~(ii) shall not constitute an indebtedness or pledge~~
27 ~~of the general credit of a political subdivision within~~
28 ~~the meaning of a constitutional or statutory limitation~~
29 ~~of indebtedness and shall contain a recital to that~~
30 ~~effect.~~

1 ~~(4) A bond must comply with the authorizing resolution~~
2 ~~as to:~~

3 ~~(i) form;~~

4 ~~(ii) denomination;~~

5 ~~(iii) interest rate;~~

6 ~~(iv) maturity; and~~

7 ~~(v) execution.~~

8 ~~(5) A bond may be subject to redemption at the option of~~
9 ~~and in the manner determined by the board in the authorizing~~
10 ~~resolution.~~

11 ~~(c) Powers of municipalities. A municipality may elect to~~
12 ~~guarantee, insure or otherwise become primarily or secondarily~~
13 ~~obligated on the indebtedness of the authority, subject,~~
14 ~~however, to all other provisions of law of this Commonwealth~~
15 ~~applicable to municipal indebtedness.~~

16 ~~(f) Sale.—~~

17 ~~(1) A bond shall be issued, sold and delivered in~~
18 ~~accordance with the terms and provisions of the authorizing~~
19 ~~resolution. The board, to effectuate its best interest, may~~
20 ~~determine the manner of sale, public or private, and the~~
21 ~~price of the bond.~~

22 ~~(2) The resolution issuing a bond must be published in a~~
23 ~~newspaper of general circulation within the jurisdiction in~~
24 ~~which the authority is located.~~

25 ~~(g) Liability.—~~

26 ~~(1) Neither the members of an authority nor a person~~
27 ~~executing the bond shall be liable personally on the bonds by~~
28 ~~reason of the issuance of the bond.~~

29 ~~(2) The bond or other obligation of the authority~~
30 ~~related to a bond shall not be a debt of a municipality or of~~

~~the Commonwealth. A statement to this effect shall appear on the face of the bond or obligation.~~

~~(3) On the bond or other obligation of the authority related to a bond, all of the following apply:~~

~~(i) The Commonwealth has no liability. This subparagraph applies to the revenue and property of the Commonwealth.~~

~~(ii) A municipality has no liability. This subparagraph applies to the revenue and property of a municipality.~~

~~§ 1714. Public records and public access.~~

~~(a) Public records. A board shall keep minutes and a record of its proceedings.~~

~~(b) Public access. The authority is subject to:~~

~~(1) 65 Pa.C.S. Ch. 7 (relating to open meetings); and~~

~~(2) the act of February 14, 2008 (P.L.6, No.3), known as the Right to Know Law.~~

~~§ 1715. Merger.~~

~~(a) Merger and consolidation authorized. An authority and an existing economic development authority may be merged into one authority, which for purposes of this section shall be designated as the surviving authority, or consolidated into a new authority.~~

~~(b) Articles of merger or consolidation. Articles of merger or articles of consolidation, as the case may be, shall first be proposed by the governing body of the municipality or municipalities creating the authority. The governing body of the municipality or municipalities incorporating one or more of the existing authorities shall each adopt an identical resolution which shall contain the language of the proposed merger or~~

1 ~~consolidation. The articles of merger or consolidation shall be~~
2 ~~signed by the proper officers of the municipality or~~
3 ~~municipalities and under their respective municipal seals and~~
4 ~~shall set forth the following:~~

5 ~~(1) The name of the surviving or new authority.~~

6 ~~(2) The location of the registered office of the~~
7 ~~surviving or new authority.~~

8 ~~(3) The names and addresses and term of office of the~~
9 ~~members of the board of the surviving or new authority as~~
10 ~~specified in the plan of merger or consolidation.~~

11 ~~(4) A statement indicating the date on which each~~
12 ~~existing authority was formed and the purpose for which it~~
13 ~~was formed, taken from the articles of incorporation, the~~
14 ~~name of the original incorporating municipality or~~
15 ~~municipalities and the name of any successor to the original~~
16 ~~incorporating municipality or municipalities thereof.~~

17 ~~(5) The time and place of the meetings of the governing~~
18 ~~bodies of the municipality or municipalities party to the~~
19 ~~plan of merger or consolidation.~~

20 ~~(6) A statement of the plan of merger and a timeline for~~
21 ~~implementing the plan for merger.~~

22 ~~(7) Any changes in the articles of incorporation of the~~
23 ~~surviving authority in the case of a merger and a statement~~
24 ~~of the articles of incorporation in full in the case of the~~
25 ~~new authority to be formed, in each case in conformity with~~
26 ~~the provisions of this chapter relating to the incorporation~~
27 ~~of authorities, except that any item required to be stated~~
28 ~~which is covered elsewhere in the articles of merger or~~
29 ~~consolidation need not be repeated.~~

30 ~~(c) Publication of resolution. Each municipality party to~~

1 ~~the plan of merger or consolidation shall cause a notice of the~~
2 ~~resolution setting forth the merger or consolidation to be~~
3 ~~published at least one time in the legal periodical of the~~
4 ~~county or counties in which the surviving authority is to be~~
5 ~~organized and at least one time in a newspaper published and in~~
6 ~~general circulation in such county or counties. The notice shall~~
7 ~~contain a brief statement of the substance of the resolution,~~
8 ~~including the substance of the articles of merger making~~
9 ~~reference to this chapter, and shall state that on a day~~
10 ~~certain, not less than three days after publication of the~~
11 ~~notice, articles of merger or consolidation shall be filed with~~
12 ~~the Secretary of the Commonwealth. The publication shall be in~~
13 ~~sufficient compliance with the laws of this Commonwealth or any~~
14 ~~existing laws dealing with publication for municipalities.~~

15 ~~(d) Documentation. The articles of merger or consolidation~~
16 ~~shall be filed on or before the day specified in the~~
17 ~~advertisement with the Secretary of the Commonwealth together~~
18 ~~with the proof of publication of the notice required under~~
19 ~~subsection (c).~~

20 ~~(e) Certification of merger or consolidation. The Secretary~~
21 ~~of the Commonwealth shall file the articles of merger or~~
22 ~~consolidation and the proof of advertisement required in~~
23 ~~subsection (c), but not prior to the day specified in the~~
24 ~~advertisement, certify the date of the filing when all fees and~~
25 ~~charges have been paid and issue to the surviving or new~~
26 ~~authority or its representative a certificate of merger or~~
27 ~~consolidation to which shall be attached a copy of the filed~~
28 ~~articles of merger or consolidation.~~

29 ~~(f) Filing the articles of merger or consolidation. Upon~~
30 ~~the filing of the articles of merger or consolidation by the~~

1 ~~Secretary of the Commonwealth, the merger or consolidation shall~~
2 ~~be effective, and, in the case of a consolidation, the new~~
3 ~~authority shall come into existence, and, in either case, the~~
4 ~~articles of merger or consolidation shall constitute the~~
5 ~~articles of incorporation of the surviving or new authority.~~

6 ~~(g) Creation of surviving or new authority. Upon the merger~~
7 ~~or consolidation becoming effective, the several existing~~
8 ~~authorities to the plan of merger or consolidation shall become~~
9 ~~a single authority, which, in the case of a merger, shall be~~
10 ~~that authority designated in the articles of merger as the~~
11 ~~surviving authority and, in the case of a consolidation, shall~~
12 ~~be a new authority as provided in the articles of consolidation.~~
13 ~~The separate existence of all existing authorities named in the~~
14 ~~articles of merger or consolidation shall cease, except that of~~
15 ~~the surviving authority in the case of a merger.~~

16 ~~(h) Disposition of property and accounts. All of the~~
17 ~~property, real, personal and mixed, and all interests in the~~
18 ~~property of each of the existing authorities named in the plan~~
19 ~~of merger or consolidation, all debts due and whatever amount~~
20 ~~due to any of them, including their respective right, title and~~
21 ~~interest in and to all lease rentals, sinking funds on deposit,~~
22 ~~all funds deposited under lease or trust instruments shall be~~
23 ~~taken and deemed to be transferred to and vested in the~~
24 ~~surviving or new authority, as the case may be, without further~~
25 ~~act or deed.~~

26 ~~(i) Continuation of contracts. The surviving authority or~~
27 ~~the new authority shall be responsible for the liabilities and~~
28 ~~obligations of each of the existing authorities so merged or~~
29 ~~consolidated but shall be subject to the same limitations,~~
30 ~~pledges, assignments, liens, charges, terms and conditions as to~~

~~1 revenues and restrictions and as to leases of properties as were
2 applicable to each existing authority. The liabilities of the
3 merging or consolidating authorities or the members of their
4 boards or officers shall not be affected nor shall the rights of
5 creditors thereof or any persons dealing with the merging or
6 consolidating authorities or any liens upon the property of the
7 merging or consolidating authorities or any outstanding bonds be
8 impaired by the merger or consolidation, and any claim existing
9 or action or proceeding pending by or against any such
10 authorities shall be prosecuted to judgment as if the merger or
11 consolidation had not taken place, or the surviving authority or
12 the new authority may be proceeded against or substituted in its
13 place.~~

~~14 § 1716. Dissolution of authority.~~

~~15 (a) General rule. An authority may be dissolved as a public
16 body corporate and politic upon compliance with all of the
17 following:~~

~~18 (1) Sixty calendar days' advance written notice of
19 consideration of a resolution to request dissolution must:~~

~~20 (i) be given to the community development authority
21 jurisdiction which created the authority;~~

~~22 (ii) be published in a local newspaper of general
23 circulation; and~~

~~24 (iii) be sent by certified mail to the trustees of
25 outstanding bonds of the authority.~~

~~26 (2) A resolution requesting dissolution must be approved
27 under section 1705(h)(3) (relating to board).~~

~~28 (b) Authority. Upon receipt of a proper resolution
29 described in subsection (a)(1), the community development
30 authority jurisdiction which created the authority may dissolve~~

~~1 the authority by adoption of an ordinance. If approved, the
2 governing body of the community development authority
3 jurisdiction which created the authority shall file a certified
4 copy of the ordinance with the Department of State, and the
5 Secretary of the Commonwealth shall cause the termination of the
6 existence of the authority to be noted on the record of
7 incorporation. Upon such filing, the authority shall cease to
8 function. The Secretary of the Commonwealth shall also notify
9 the department of the dissolution of the authority.~~

~~10 (c) Transfer of assets. Upon dissolution of the authority,
11 real property, personal property and other assets of the
12 authority shall become the assets of the municipality in which
13 the property is located. The following shall apply:~~

~~14 (1) Personal property, including financial assets, of
15 the authority shall be divided among participating community
16 development authority jurisdictions in proportion to the
17 population of each jurisdiction.~~

~~18 (2) The municipality in which real property is located
19 shall approve the transfer of title to the municipality.~~

~~20 (d) Multiple jurisdictions. If multiple community
21 development authority jurisdictions create an authority under
22 section 1704(c) (relating to creation and existence), the
23 withdrawal of one or more community development authority
24 jurisdictions shall not require dissolution of the authority
25 unless:~~

~~26 (1) the intergovernmental cooperation agreement provides
27 for dissolution in this event; and~~

~~28 (2) there is no community development authority
29 jurisdiction which desires to continue the existence of the
30 authority.~~

1 ~~§ 1717. Conflicts of interest.~~

2 ~~(a) Applicability of adverse interest act. The acts and~~
3 ~~decisions of members of a board and of employees of the~~
4 ~~authority shall be subject to the act of July 19, 1957~~
5 ~~(P.L.1017, No.451), known as the State Adverse Interest Act.~~

6 ~~(b) Ethical standards. Board members and authority~~
7 ~~employees are subject to 65 Pa.C.S. Ch. 11 (relating to ethics~~
8 ~~standards and financial disclosure).~~

9 ~~(c) Supplemental rules and guidelines. The board may adopt:~~

10 ~~(1) supplemental rules addressing potential conflicts of~~
11 ~~interest; and~~

12 ~~(2) ethical guidelines for members of the board and~~
13 ~~employees of the authority.~~

14 ~~§ 1718. Construction, intent and scope.~~

15 ~~This chapter shall be construed liberally to effectuate the~~
16 ~~legislative intent and the purposes as complete and independent~~
17 ~~authorization for the implementation of this chapter, and all~~
18 ~~powers granted shall be broadly interpreted to effectuate the~~
19 ~~intent and purposes and not as a limitation of powers.~~

20 ~~§ 1719. Annual audit and report.~~

21 ~~The following shall apply:~~

22 ~~(1) An authority shall annually, within 120 days after~~
23 ~~the end of the fiscal year, submit an audit of income and~~
24 ~~expenditures, together with a report of its activities for~~
25 ~~the preceding year, to the department.~~

26 ~~(2) A duplicate of the audit and the report shall be~~
27 ~~filed with the governing body of:~~

28 ~~(i) the community development authority jurisdiction~~
29 ~~which created the authority; and~~

30 ~~(ii) each municipality which opted to participate in~~

1 ~~the authority pursuant to an intergovernmental agreement.~~

2 ~~§ 1720. Cost sharing.~~

3 ~~If an authority acquires property in a city for demolition,~~
4 ~~the former lienholder of the property acquired shall share the~~
5 ~~authority's demolition costs.~~

6 Section 2. Title 72 is amended by adding a chapter to read:

7 ~~CHAPTER 31~~

8 ~~MICROENTERPRISE ASSISTANCE~~

9 ~~Subchapter~~

10 ~~A. Preliminary Provisions~~

11 ~~B. Real Property Tax Abatement~~

12 ~~SUBCHAPTER A~~

13 ~~PRELIMINARY PROVISIONS~~

14 ~~Sec.~~

15 ~~3101. Definitions.~~

16 ~~§ 3101. Definitions.~~

17 ~~The following words and phrases when used in this chapter~~
18 ~~shall have the meanings given to them in this section unless the~~
19 ~~context clearly indicates otherwise:~~

20 ~~"Microenterprise." As defined in 64 Pa.C.S. § 1703 (relating~~
21 ~~to definitions).~~

22 ~~"Taxing authority." The governing body of a political~~
23 ~~subdivision that has the power to impose a real property tax.~~

24 ~~SUBCHAPTER B~~

25 ~~REAL PROPERTY TAX ABATEMENT~~

26 ~~Sec.~~

27 ~~3121. Abatement of real property tax.~~

28 ~~3122. Abatement schedule.~~

29 ~~§ 3121. Abatement of real property tax.~~

30 ~~Notwithstanding any other provision of law, a taxing~~

1 ~~authority shall abate the real property taxes imposed on the~~
2 ~~owner of real property as provided under section 3122 (relating~~
3 ~~to abatement schedule) if the real property is used to develop a~~
4 ~~microenterprise that has the effect of remediating blight.~~

5 ~~§ 3122. Abatement schedule.~~

6 ~~A taxing authority subject to section 3121 (relating to~~
7 ~~abatement of real property tax) shall abate the real property~~
8 ~~taxes imposed on the owner for a period of no more than five~~
9 ~~years as follows:~~

10 ~~(1) Fifty percent of the tax for the first year the real~~
11 ~~property is used for the operation of the microenterprise.~~

12 ~~(2) Forty percent of the tax for the second year the~~
13 ~~real property is used for the operation of the~~
14 ~~microenterprise.~~

15 ~~(3) Thirty percent of the tax for the third year the~~
16 ~~real property is used for the operation of the~~
17 ~~microenterprise.~~

18 ~~(4) Twenty percent of the tax for the fourth year the~~
19 ~~real property is used for the operation of the~~
20 ~~microenterprise.~~

21 ~~(5) Ten percent of the tax for the fifth year the real~~
22 ~~property is used for the operation of the microenterprise.~~

23 ~~Section 3. This act shall take effect in 60 days.~~

24 SECTION 1. TITLE 72 OF THE PENNSYLVANIA CONSOLIDATED

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25 STATUTES IS AMENDED BY ADDING A CHAPTER TO READ:

26 CHAPTER 31

27 MICROENTERPRISE ASSISTANCE

28 SUBCHAPTER

29 A. PRELIMINARY PROVISIONS

30 B. MICROENTERPRISE LOAN PROGRAMS

1 "LOW INCOME." A HOUSEHOLD WITH TOTAL INCOME AT OR BELOW 80%
2 OF THE AREA MEDIAN INCOME, ADJUSTED FOR HOUSEHOLD SIZE, AS
3 DEFINED ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND
4 URBAN DEVELOPMENT.

5 "MICROENTERPRISE." A SOLE PROPRIETORSHIP, PARTNERSHIP OR
6 LIMITED LIABILITY COMPANY THAT EMPLOYS ONE TO FIVE EMPLOYEES AND
7 HAS THE QUALIFYING AMOUNT OF CAPITAL PROVIDED UNDER THE SMALL
8 BUSINESS JOBS ACT OF 2010 (PUBLIC LAW 111-240, 124 STAT. 2504).

9 "MUNICIPALITY." A COUNTY, CITY, BOROUGH, INCORPORATED TOWN,
10 TOWNSHIP OR HOME RULE MUNICIPALITY.

11 "PROGRAM." A MICROENTERPRISE ASSISTANCE PROGRAM AUTHORIZED
12 BY THIS CHAPTER.

13 "REAL PROPERTY." LAND AND ALL STRUCTURES AND FIXTURES
14 THEREON AND ALL ESTATES AND INTERESTS IN LAND, INCLUDING
15 EASEMENTS, COVENANTS AND LEASEHOLDERS.

16 "SCHOOL DISTRICT." AS TO ANY REAL PROPERTY ACQUIRED, OWNED
17 OR CONVEYED BY AN ADMINISTRATIVE ENTITY, THE SCHOOL DISTRICT
18 WITHIN WHICH THE GEOGRAPHICAL JURISDICTION OF THE REAL PROPERTY
19 IS LOCATED.

20 "SECRETARY." THE SECRETARY OF COMMUNITY AND ECONOMIC
21 DEVELOPMENT OF THE COMMONWEALTH.

22 "START-UP ENTREPRENEUR." AN INDIVIDUAL, PARTNERSHIP, LIMITED
23 LIABILITY COMPANY THAT ESTABLISHES A MICROENTERPRISE.

24 SUBCHAPTER B

25 MICROENTERPRISE LOAN PROGRAMS

26 SEC.

27 3111. PURPOSE.

28 3112. POWERS OF ADMINISTRATIVE ENTITY.

29 3113. ACQUISITION OF PROPERTY AND RESPONSIBILITIES.

30 3114. FUNDING.

1 3115. PROPERTY TAX EXEMPTION SCHEDULE OF REAL PROPERTY.

2 3116. MICROENTERPRISE LOANS.

3 3117. ADMINISTRATION OF PROGRAM.

4 3118. DISPOSITION OF PROPERTY.

5 § 3111. PURPOSE.

6 AN ADMINISTRATIVE ENTITY MAY CREATE A MICROENTERPRISE LOAN
7 PROGRAM TO ASSIST LOW-INCOME INDIVIDUALS IN THE ESTABLISHMENT OF
8 A MICROENTERPRISE.

9 § 3112. POWERS OF ADMINISTRATIVE ENTITY.

10 (A) GENERAL RULE.--IN ADDITION TO POWERS GRANTED TO AN
11 ADMINISTRATIVE ENTITY IN OTHER LAWS, AN ADMINISTRATIVE ENTITY
12 SHALL HAVE THE FOLLOWING POWERS NECESSARY TO OPERATE A PROGRAM:

13 (1) TO ISSUE LOANS TO MICROENTERPRISES THAT WILL OPERATE
14 ON PROPERTY OWNED BY THE ADMINISTRATIVE ENTITY AND LEASED TO
15 THE MICROENTERPRISE. THE PROGRAM SHALL TARGET
16 MICROENTERPRISES OF LOW-INCOME INDIVIDUALS.

17 (2) TO NEGOTIATE FOR LOANS AND GRANTS FROM BOTH PUBLIC
18 AND PRIVATE SOURCES IN ORDER TO FUND THE PROGRAM.

19 (3) TO MAKE LOANS TO LOW-INCOME START-UP ENTREPRENEURS.

20 (4) TO ACQUIRE PROPERTY TO LEASE TO START-UP
21 ENTREPRENEURS IN ORDER TO FACILITATE THE ESTABLISHMENT OF A
22 MICROENTERPRISE.

23 (5) TO ENTER INTO AN INTERGOVERNMENTAL COOPERATION
24 AGREEMENT WITH OTHER ADMINISTRATIVE ENTITIES OR
25 MUNICIPALITIES RELATIVE TO THE OPERATIONS OF THE PROGRAM.

26 (B) EMINENT DOMAIN.-- AN ADMINISTRATIVE ENTITY DOES NOT
27 POSSESS THE POWER OF EMINENT DOMAIN BY ESTABLISHING AND
28 IMPLEMENTING A PROGRAM.

29 § 3113. ACQUISITION OF PROPERTY AND RESPONSIBILITIES.

30 (A) GENERAL RULE.--AN ADMINISTRATIVE ENTITY MAY ACQUIRE REAL

1 PROPERTY TO LEASE TO START-UP ENTREPRENEURS WHO RECEIVE A
2 MICROENTERPRISE LOAN UNDER THE PROGRAM IN THE FOLLOWING MANNERS:

3 (1) AN ADMINISTRATIVE ENTITY MAY ACQUIRE REAL PROPERTY
4 BY PURCHASE CONTRACTS, LEASE PURCHASE AGREEMENTS, INSTALLMENT
5 SALES CONTRACTS AND LAND CONTRACTS AND MAY ACCEPT TRANSFERS
6 FROM MUNICIPALITIES UPON TERMS AND CONDITIONS AS AGREED TO BY
7 THE ADMINISTRATIVE ENTITY AND THE MUNICIPALITY.

8 (2) A MUNICIPALITY MAY TRANSFER TO AN ADMINISTRATIVE
9 ENTITY REAL PROPERTY AND INTERESTS IN REAL PROPERTY OF THE
10 MUNICIPALITY ON TERMS AND CONDITIONS AND ACCORDING TO
11 PROCEDURES DETERMINED BY THE MUNICIPALITY SO LONG AS THE REAL
12 PROPERTY IS LOCATED WITHIN THE JURISDICTION OF THE
13 MUNICIPALITY.

14 (3) A REDEVELOPMENT AUTHORITY MAY, WITH THE CONSENT OF
15 THE LOCAL GOVERNING BODY AND WITHOUT A REDEVELOPMENT
16 CONTRACT, CONVEY PROPERTY WHICH THE REDEVELOPMENT AUTHORITY
17 ACQUIRED BEFORE THE EFFECTIVE DATE OF THIS PARAGRAPH TO THE
18 ADMINISTRATIVE ENTITY. A CONVEYANCE UNDER THIS PARAGRAPH
19 SHALL BE WITH FEE SIMPLE TITLE, FREE OF ALL LIENS AND
20 ENCUMBRANCES.

21 (4) AN ADMINISTRATIVE ENTITY MAY, IF AUTHORIZED BY THE
22 JURISDICTION THAT CREATED AN AUTHORITY OR OTHERWISE BY
23 INTERGOVERNMENTAL COOPERATION AGREEMENT, ACCEPT DONATIONS OF
24 REAL PROPERTY AND EXTINGUISH DELINQUENT CLAIMS FOR TAXES AS
25 TO THE PROPERTY UNDER SECTION 5.1 OF THE ACT OF MAY 16, 1923
26 (P.L.207, NO.153), REFERRED TO AS THE MUNICIPAL CLAIM AND TAX
27 LIEN LAW, OR SECTION 303 OF THE ACT OF JULY 7, 1947
28 (P.L.1368, NO.542), KNOWN AS THE REAL ESTATE TAX SALE LAW.
29 FOR THE PURPOSES OF THIS PARAGRAPH, THE ADMINISTRATIVE ENTITY
30 SHALL HAVE ALL RIGHTS AND OBLIGATIONS OF THE MUNICIPALITY

1 PROVIDED FOR IN SECTION 5.1 OF THE MUNICIPAL CLAIM AND TAX
2 LIEN LAW.

3 (5) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
4 CONTRARY, IF A TAX DELINQUENT PROPERTY OFFERED AT JUDICIAL
5 SALE IS NOT SOLD, THE TRUSTEE MAY DONATE THE PROPERTY TO AN
6 ADMINISTRATIVE ENTITY FOR THE PURPOSE OF THIS CHAPTER AFTER
7 WRITTEN NOTIFICATION OF THE TRANSFER TO ALL INTERESTED
8 PARTIES.

9 (B) TITLE TO BE HELD IN ITS NAME.--AN ADMINISTRATIVE ENTITY
10 SHALL HOLD IN ITS OWN NAME ALL REAL PROPERTY IT ACQUIRES TO
11 ADMINISTER THE MICROENTERPRISE PROGRAM UNDER THIS CHAPTER.
12 § 3114. FUNDING.

13 (A) GENERAL RULE.--THE ADMINISTRATIVE ENTITY MAY RECEIVE
14 FUNDING THROUGH GRANTS FROM:

15 (1) THE FEDERAL GOVERNMENT.

16 (2) THE COMMONWEALTH.

17 (3) A MUNICIPALITY THAT CREATED THE AUTHORITY.

18 (4) PRIVATE SOURCES.

19 (B) REVENUE.--AN ADMINISTRATIVE ENTITY MAY RECEIVE AND
20 RETAIN PAYMENTS FOR SERVICES RENDERED, FOR RENTS AND LEASEHOLD
21 PAYMENTS RECEIVED, FOR CONSIDERATION FOR DISPOSITION OF REAL AND
22 PERSONAL PROPERTY, FOR PROCEEDS OF INSURANCE COVERAGE FOR LOSSES
23 INCURRED, FOR INCOME FROM INVESTMENTS AND FOR AN ASSET AND
24 ACTIVITY LAWFULLY PERMITTED TO THE AUTHORITY UNDER THIS CHAPTER.
25 § 3115. PROPERTY TAX EXEMPTION SCHEDULE OF REAL PROPERTY.

26 A MUNICIPALITY AND SCHOOL DISTRICT SHALL HAVE THE POWER AND
27 AUTHORITY TO GRANT PROPERTY TAX ABATEMENT, IN THE MANNER
28 PROVIDED IN THIS SECTION, TO PROPERTIES LEASED TO A
29 MICROENTERPRISE FOR ONE OR MORE CONSECUTIVE YEARS, AND OWNED BY
30 AN ADMINISTRATIVE ENTITY:

1 (1) FOR THE FIRST, SECOND AND THIRD YEARS FOR WHICH THE
2 PROPERTY WOULD OTHERWISE BE TAXABLE, AND IS CONTINUALLY
3 LEASED TO THE MICROENTERPRISE, 100% OF THE ELIGIBLE
4 ASSESSMENT SHALL BE EXEMPTED.

5 (2) FOR THE FOURTH YEAR FOR WHICH THE PROPERTY WOULD
6 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE
7 MICROENTERPRISE, 90% OF THE ELIGIBLE ASSESSMENT SHALL BE
8 EXEMPTED.

9 (3) FOR THE FIFTH YEAR FOR WHICH THE PROPERTY WOULD
10 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE
11 MICROENTERPRISE, 75% OF THE ELIGIBLE ASSESSMENT SHALL BE
12 EXEMPTED.

13 (4) FOR THE SIXTH YEAR FOR WHICH THE PROPERTY WOULD
14 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE
15 MICROENTERPRISE, 60% OF THE ELIGIBLE ASSESSMENT SHALL BE
16 EXEMPTED.

17 (5) FOR THE SEVENTH YEAR FOR WHICH THE PROPERTY WOULD
18 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE
19 MICROENTERPRISE, 45% OF THE ELIGIBLE ASSESSMENT SHALL BE
20 EXEMPTED.

21 (6) FOR THE EIGHTH YEAR FOR WHICH THE PROPERTY WOULD
22 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE
23 MICROENTERPRISE, 30% OF THE ELIGIBLE ASSESSMENT SHALL BE
24 EXEMPTED.

25 (7) FOR THE NINTH YEAR FOR WHICH THE PROPERTY WOULD
26 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE
27 MICROENTERPRISE, 15% OF THE ELIGIBLE ASSESSMENT SHALL BE
28 EXEMPTED.

29 (8) FOR THE TENTH YEAR FOR WHICH THE PROPERTY WOULD
30 OTHERWISE BE TAXABLE, AND IS CONTINUALLY LEASED TO THE

1 MICROENTERPRISE, 10% OF THE ELIGIBLE ASSESSMENT SHALL BE
2 EXEMPTED.

3 (9) AFTER THE TENTH YEAR OF BEING CONTINUALLY LEASED TO
4 THE MICROENTERPRISE, THE EXEMPTION SHALL TERMINATE.

5 § 3116. MICROENTERPRISE LOANS.

6 (A) LOAN ISSUANCE.--

7 (1) AN ADMINISTRATIVE ENTITY MAY ISSUE A LOAN TO A
8 MICROENTERPRISE THAT OPERATES ON PROPERTY OWNED BY THE
9 ADMINISTRATIVE ENTITY WITHIN THE PROGRAM.

10 (2) AN ADMINISTRATIVE ENTITY MAY PARTNER WITH A PRIVATE
11 ENTITY THAT ISSUES MICROLOANS FOR THE PURPOSE OF PROVIDING A
12 LOAN UNDER PARAGRAPH (1).

13 (3) IF A LOAN PAYMENT BECOMES DELINQUENT, THE
14 ADMINISTRATIVE ENTITY MAY OFFER A HARDSHIP AGREEMENT TO THE
15 MICROENTERPRISE TO RESTRUCTURE THE PAYMENT PROCESS.

16 (B) TRAINING.--FOR THE PURPOSE OF REDUCING THE FINANCIAL
17 RISK INVOLVED IN ISSUING A LOAN UNDER SUBSECTION (A) (1) AND
18 PROVIDING LOAN APPLICANTS WITH THE SKILLS NECESSARY TO SUCCEED,
19 A LOAN APPLICANT MUST COMPLETE BUSINESS COURSES AND WORKSHOPS ON
20 OPERATING A BUSINESS, CREATING MARKET STRATEGY AND CUSTOMER
21 INTERACTION TO BE ELIGIBLE TO RECEIVE A LOAN.

22 (C) TRAINING RESOURCES.--

23 (1) UPON REQUEST BY AN ADMINISTRATIVE ENTITY, THE
24 DEPARTMENT SHALL ASSIST THE ADMINISTRATIVE ENTITY IN
25 IDENTIFYING ORGANIZATIONS THAT CAN PROVIDE THE BUSINESS
26 TRAINING REQUIRED UNDER SUBSECTION (B) TO LOAN APPLICANTS.
27 THE ADMINISTRATIVE ENTITY SHALL DIRECT LOAN APPLICANTS TO THE
28 ORGANIZATIONS THAT PROVIDE THE BUSINESS TRAINING.

29 (2) THE ADMINISTRATIVE ENTITY MAY PARTNER WITH A PRIVATE
30 ENTITY, INCLUDING COMMERCIAL, AND NONPROFITS OR ORGANIZATIONS

1 SPECIALIZING IN TRAINING START-UP ENTREPRENEURS, FOR ANY OF
2 THE FOLLOWING:

3 (I) USING THE PRIVATE ENTITY'S FACILITIES OR
4 EXPERTISE TO HELP LOAN APPLICANTS FULFILL THE BUSINESS
5 TRAINING REQUIRED UNDER SUBSECTION (B); OR

6 (II) ACQUIRING BUILDING SPACE, WHETHER THE BUILDING
7 SPACE IS LEASED OR DONATED, FOR THE PURPOSE OF CONDUCTING
8 BUSINESS TRAINING REQUIRED UNDER SUBSECTION (B).

9 (D) ELIGIBLE APPLICANTS.--

10 (1) AN ADMINISTRATIVE ENTITY SHALL IMPOSE REQUIREMENTS
11 FOR ELIGIBLE APPLICANTS AND THE REQUIREMENTS ARE READILY
12 AVAILABLE TO THE PUBLIC. THE REQUIREMENTS SHALL INCLUDE, BUT
13 NOT BE LIMITED TO:

14 (I) AN APPLICANT MUST BE LOW INCOME.

15 (II) AN APPLICANT MUST DEMONSTRATE NEED FOR CAPITAL
16 AND TECHNICAL ASSISTANCE TO OPERATE A BUSINESS, WITH NEED
17 DEFINED BY THE ADMINISTRATIVE ENTITY.

18 (III) AN APPLICANT MUST HAVE AN ESTABLISHED BUSINESS
19 PLAN AND PROVIDE A SUMMARY OF THE PLAN TO THE
20 ADMINISTRATIVE ENTITY, IF REQUESTED.

21 (2) (RESERVED).

22 § 3117. ADMINISTRATION OF PROGRAM.

23 (A) LIMITATION ON ADMINISTRATIVE COST.--THE COST OF
24 ADMINISTERING A PROGRAM MAY NOT EXCEED 10% OF THE PROGRAM'S
25 OPERATING BUDGET.

26 (B) MAINTENANCE.--AN ADMINISTRATIVE ENTITY SHALL MAINTAIN
27 ALL OF ITS REAL PROPERTY IN ACCORDANCE WITH THE LAWS OF THIS
28 COMMONWEALTH AND ORDINANCES OF THE JURISDICTION IN WHICH THE
29 REAL PROPERTY IS LOCATED.

30 § 3118. DISPOSITION OF PROPERTY.

1 (A) PUBLIC ACCESS TO INVENTORY.--AN ADMINISTRATIVE ENTITY
2 SHALL MAINTAIN AND MAKE AVAILABLE FOR PUBLIC REVIEW AND
3 INSPECTION AN INVENTORY OF REAL PROPERTY HELD BY THE
4 ADMINISTRATIVE ENTITY FOR THE PROGRAM.

5 (B) POWER.--THE AUTHORITY MAY CONVEY, EXCHANGE, SELL,
6 TRANSFER, LEASE, GRANT OR MORTGAGE INTERESTS IN REAL PROPERTY OF
7 THE ADMINISTRATIVE ENTITY IN THE FORM AND BY THE METHOD
8 DETERMINED BY THE ADMINISTRATIVE ENTITY TO BE IN THE BEST
9 INTERESTS OF THE MICROENTERPRISE LOAN PROGRAM.

10 (C) CONSIDERATION.--

11 (1) THE ADMINISTRATIVE ENTITY SHALL DETERMINE THE AMOUNT
12 AND FORM OF CONSIDERATION NECESSARY TO CONVEY, EXCHANGE,
13 SELL, TRANSFER, LEASE AS LESSOR, GRANT OR MORTGAGE INTERESTS
14 IN REAL PROPERTY.

15 (2) CONSIDERATION MAY TAKE THE FORM OF MONETARY PAYMENTS
16 AND SECURED FINANCIAL OBLIGATIONS, COVENANTS AND CONDITIONS
17 RELATED TO THE PRESENT AND FUTURE USE OF THE PROPERTY,
18 CONTRACTUAL COMMITMENTS OF THE TRANSFEREE AND OTHER FORMS OF
19 CONSIDERATION AS DETERMINED BY THE ADMINISTRATIVE ENTITY TO
20 BE IN THE BEST INTEREST OF THE PROGRAM.

21 (D) POLICIES AND PROCEDURES.--

22 (1) AN ADMINISTRATIVE ENTITY SHALL CREATE POLICIES AND
23 PROCEDURES PROVIDING THE GENERAL TERMS AND CONDITIONS FOR
24 CONSIDERATION TO BE RECEIVED BY THE ADMINISTRATIVE ENTITY FOR
25 THE TRANSFER OF REAL PROPERTY AND INTERESTS IN REAL PROPERTY.

26 (2) REQUIREMENTS WHICH MAY BE APPLICABLE TO THE
27 DISPOSITION OF REAL PROPERTY AND INTERESTS IN REAL PROPERTY
28 BY MUNICIPALITIES SHALL NOT BE APPLICABLE TO THE DISPOSITION
29 OF REAL PROPERTY AND INTERESTS IN REAL PROPERTY BY THE
30 ADMINISTRATIVE ENTITY.

1 (E) LAND USE PLANS.--THE ADMINISTRATIVE ENTITY SHALL
2 CONSIDER ALL DULY ADOPTED LAND USE PLANS AND MAKE REASONABLE
3 EFFORTS TO COORDINATE THE DISPOSITION OF AN ADMINISTRATIVE
4 ENTITY'S REAL PROPERTY WITH THE LAND USE PLANS.

5 SECTION 2. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.