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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1047 Session of  
2020

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INTRODUCED BY DiSANTO, MENSCH, MARTIN AND BARTOLOTTA,  
MARCH 3, 2020

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REFERRED TO LOCAL GOVERNMENT, MARCH 3, 2020

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AN ACT

1 Amending the act of July 31, 1968 (P.L.805, No.247), entitled  
2 "An act to empower cities of the second class A, and third  
3 class, boroughs, incorporated towns, townships of the first  
4 and second classes including those within a county of the  
5 second class and counties of the second through eighth  
6 classes, individually or jointly, to plan their development  
7 and to govern the same by zoning, subdivision and land  
8 development ordinances, planned residential development and  
9 other ordinances, by official maps, by the reservation of  
10 certain land for future public purpose and by the acquisition  
11 of such land; to promote the conservation of energy through  
12 the use of planning practices and to promote the effective  
13 utilization of renewable energy sources; providing for the  
14 establishment of planning commissions, planning departments,  
15 planning committees and zoning hearing boards, authorizing  
16 them to charge fees, make inspections and hold public  
17 hearings; providing for mediation; providing for transferable  
18 development rights; providing for appropriations, appeals to  
19 courts and penalties for violations; and repealing acts and  
20 parts of acts," in subdivision and land development, further  
21 providing for completion of improvements or guarantee thereof  
22 prerequisite to final plat approval.

23 The General Assembly of the Commonwealth of Pennsylvania  
24 hereby enacts as follows:

25 Section 1. Section 509(f), (h) and (j) of the act of July  
26 31, 1968 (P.L.805, No.247), known as the Pennsylvania  
27 Municipalities Planning Code, are amended to read:

28 Section 509. Completion of Improvements or Guarantee Thereof

1 Prerequisite to Final Plat Approval.--\* \* \*

2 (f) The amount of financial security to be posted for the  
3 completion of the required improvements shall be equal to 110%  
4 of the cost of completion estimated as of 90 days following the  
5 date scheduled for completion by the developer. Annually, the  
6 municipality may adjust the amount of the financial security by  
7 comparing the actual cost of the improvements which have been  
8 completed and the estimated cost for the completion of the  
9 remaining improvements as of the expiration of the 90th day  
10 after either the original date scheduled for completion or a  
11 rescheduled date of completion. Subsequent to said adjustment,  
12 the municipality may require the developer to post additional  
13 security in order to assure that the financial security equals  
14 but does not exceed said 110%. Any additional security shall be  
15 posted by the developer in accordance with this subsection.

16 \* \* \*

17 (h) If the party posting the financial security requires  
18 more than one year from the date of posting of the financial  
19 security to complete the required improvements, the amount of  
20 financial security may be increased by an additional 10% for  
21 each one-year period beyond the first anniversary date from  
22 posting of financial security [or] to an amount not exceeding  
23 110% of the cost of completing the required improvements as  
24 reestablished on or about the expiration of the preceding one-  
25 year period by using the above bidding procedure.

26 \* \* \*

27 (j) As the work of installing the required improvements  
28 proceeds, the party posting the financial security may request  
29 the governing body to release or authorize the release, from  
30 time to time, such portions of the financial security necessary

1 for payment to the contractor or contractors performing the  
2 work. Any such requests shall be in writing addressed to the  
3 governing body, and the governing body shall have 45 days from  
4 receipt of such request within which to allow the municipal  
5 engineer to certify, in writing, to the governing body that such  
6 portion of the work upon the improvements has been completed in  
7 accordance with the approved plat. Upon such certification the  
8 governing body shall authorize release by the bonding company or  
9 lending institution of an amount as estimated by the municipal  
10 engineer fairly representing the value of the improvements  
11 completed or, if the governing body fails to act within said 45-  
12 day period, the governing body shall be deemed to have approved  
13 the release of funds as requested. The governing body may, prior  
14 to [final] release at the time of completion and certification  
15 by its engineer, retain 10% of the [original amount of the  
16 posted financial security for the aforesaid] estimated cost of  
17 the remaining improvements.

18 \* \* \*

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