

No. 2002-113

AN ACT

HB 1952

Amending the act of May 24, 1945 (P.L.991, No.385), entitled "An act to promote elimination of blighted areas and supply sanitary housing in areas throughout the Commonwealth; by declaring acquisition, sound replanning and redevelopment of such areas to be for the promotion of health, safety, convenience and welfare; creating public bodies corporate and politic to be known as Redevelopment Authorities; authorizing them to engage in the elimination of blighted areas and to plan and contract with private, corporate or governmental redevelopers for their redevelopment; providing for the organization of such authorities; defining and providing for the exercise of their powers and duties, including the acquisition of property by purchase, gift or eminent domain; the leasing and selling of property, including borrowing money, issuing bonds and other obligations, and giving security therefor; restricting the interest of members and employes of authorities; providing for notice and hearing; supplying certain mandatory provisions to be inserted in contracts with redevelopers; prescribing the remedies of obligees of redevelopment authorities; conferring certain duties upon local planning commissions, the governing bodies of cities and counties, and on certain State officers, boards and departments," further providing for provisions of the redevelopment contract and for blighted property removal; and providing for a statute of limitations.

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

Section 1. Section 11 of the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, is amended to read:

Section 11. Provisions of the Redevelopment Contract.—

(a) The contract between the Authority and a redeveloper shall contain, without being limited to, the following provisions:

(1) A legal description of the redevelopment area covered by the contract, and a covenant running with land to the effect that no person shall be deprived of the right to live in the redevelopment project, or to use any of the facilities therein by reason of race, creed, color or national origin, and such other easements, or other rights as are to be reserved therein by the Authority;

(2) Plans and such other documents as may be required to show the type, material, structure and general character of the redevelopment project;

(3) A statement of the use intended for each part of the project;

(4) A guaranty of completion of the redevelopment project within specified time limits;

(4-1) A requirement that every contract for construction, installation, alteration, repair of, or addition to, the redevelopment project, where the estimated cost shall exceed [~~\$500.00~~] *\$10,000.00*, shall contain a provision obligating the contractor to the prompt payment of all material furnished, labor supplied or performed, rental for equipment employed, and services rendered by public utilities in or in connection with the prosecution of the

work, whether or not, the said material, labor, equipment and services enter into and become component parts of the work or improvement contemplated. Such provision shall be deemed to be included for the benefit of every person, co-partnership, association or corporation, who as subcontractor, or otherwise, has furnished material, supplied or performed labor, rented equipment, or supplied services in or in connection with the prosecution of the work as aforesaid, and the inclusion thereof in any contract shall preclude the filing by any such person, co-partnership, association or corporation of any mechanics' lien claim for such material, labor or rental of equipment, and further requiring that the contractor shall give to the redeveloper an appropriate bond for the prompt payment by the contractor for materials, supplies, labor, services and equipment in such form as the Authority may prescribe;

(5) A provision that the redeveloper shall be without power to sell, lease or otherwise transfer the redevelopment area, or project, or any part thereof, without the prior written consent of the Authority, until the Authority shall have certified in writing that the redevelopment project has been completed;

(6) The amount of the consideration to be paid by the redeveloper to the Authority;

(7) Adequate safeguards for proper maintenance of all parts of the project;

(8) Prohibition against discrimination in the use, sale or lease of any part of the project against any person because of race, color, religion or national origin;

(9) Such other continuing controls as may be deemed necessary to effectuate the purposes of this act;

(b) Any deed or lease to a redeveloper in furtherance of a redevelopment contract shall be executed in the name of the Authority, by its proper officers, and shall contain in addition to all other provisions, such provisions as the Authority may deem desirable to run with the land in order to effectuate the purposes of this act;

(c) Any lease to a redeveloper may provide that all improvements shall become the property of the Authority. The execution of such a lease shall not in itself impose upon the Authority any liability for or by reason of the financing, construction, management or operation of any redevelopment project.

Section 2. Section 12.1 of the act, amended or added June 23, 1978 (P.L.556, No.94) and March 30, 1988 (P.L.304, No.39), is amended to read:

Section 12.1. Blighted Property Removal.—

(a) Notwithstanding any other provision of this act, any Redevelopment Authority shall have the power to acquire by purchase, gift, bequest, eminent domain or otherwise, any blighted property as defined in this section, either within or outside of a certified redevelopment area and, further, shall have the power to hold, clear, manage and/or dispose of said property for residential and related reuse and commercial or industrial

reuse. This power shall be exercised in accord with the procedures set forth in this section.

(b) Such power on the part of any Redevelopment Authority shall be conditioned upon the creation or existence of a [vacant] *blighted* property review committee by ordinance of the governing body of the municipality. The committee shall be made up of members as determined in the said ordinance, but shall include at least one member of the governing body, a representative of the Redevelopment Authority, a representative of the appropriate planning commission, and a representative to be designated by the chief executive officer or officers from the executive branch of the government of the municipality.

(c) Blighted property shall include:

(1) Any premises which because of physical condition or use is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the local housing, building, plumbing, fire and related codes.

(2) Any premises which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe fences or structures.

(3) Any dwelling which because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the municipality, has been designated by the department responsible for enforcement of the code as unfit for human habitation.

(4) Any structure which is a fire hazard, or is otherwise dangerous to the safety of persons or property.

(5) Any structure from which the utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

(6) Any vacant or unimproved lot or parcel of ground in a predominantly built-up-neighborhood, which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris, or a haven for rodents or other vermin.

(7) Any unoccupied property which has been tax delinquent for a period of two years prior to the effective date of this act, and those in the future having a two year tax delinquency.

(8) Any property which is vacant but not tax delinquent, which has not been rehabilitated within one year of the receipt of notice to rehabilitate from the appropriate code enforcement agency.

(9) *Any abandoned property. A property shall be considered abandoned if:*

(i) *it is a vacant or unimproved lot or parcel of ground on which a municipal lien for the cost of demolition of any structure located on the property remains unpaid for a period of six months;*

(ii) it is a vacant property or vacant or unimproved lot or parcel of ground on which the total of municipal liens on the property for tax or any other type of claim of the municipality are in excess of 150% of the fair market value of the property as established by the Board of Revisions of Taxes or other body with legal authority to determine the taxable value of the property; or

(iii) the property has been declared abandoned by the owner, including an estate that is in possession of the property.

(d) Residential and related use shall include residential property for sale or rental and related uses, including, but not limited to, park and recreation areas, neighborhood community service, and neighborhood parking lots.

(e) The blighted property review committee and the appropriate planning commission, upon making a determination that any property is blighted within the terms of this section, must certify said blighted property to the Redevelopment Authority, except that:

(1) No property shall be certified to the Redevelopment Authority unless it is vacant. ***A property shall be considered vacant if:***

(i) the property is unoccupied or its occupancy has not been authorized by the owner of the property;

(ii) in the case of an unimproved lot or parcel of ground, a lien for the cost of demolition of any structure located on the property remains unpaid for a period of six months; or

(iii) in the case of an unimproved lot or parcel of ground, the property has remained in violation of any provision of local building, property maintenance or related codes applicable to such lots or parcels, including licensing requirements, for a period of six months.

(2) No property shall be certified to the Redevelopment Authority unless the owner of the property or an agent designated by him for receipt of service of notices within the municipality has been served with notice of the determination that the property is blighted, together with an appropriate order to eliminate the conditions causing the blight and notification that failure to do so may render the property subject to condemnation under this act. The notice shall be served upon the owner or his agent in accord with the provisions of a local ordinance pertaining to service of notice of determination of a public nuisance. The owner or his agent shall have the right of appeal from the determination in the same manner as an appeal from the determination of public nuisance.

(3) No blighted property shall be certified to the Redevelopment Authority until the time period for appeal has expired and no appeal has been taken, or, if taken, the appeal has been disposed of, and the owner or his agent has failed to comply with the order of the responsible department or other officer or agency.

(f) Acquisition and disposition of blighted property under this section shall not require preparation, adoption or approval of a redevelopment area plan or redevelopment proposal as set forth in section 10, but at least thirty

days prior to acquisition of any property under this section, the Redevelopment Authority shall transmit identification of the property to the planning commission of the municipality and shall request a recommendation as to the appropriate reuse of the property. The Redevelopment Authority shall not acquire the property where the planning commission certifies that disposition for residential or related use would not be in accord with the comprehensive plan of the municipality.

(g) Power of eminent domain shall be exercised pursuant to a resolution of the Redevelopment Authority and the procedure set forth in the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the "Eminent Domain Code," as amended.

(h) Property disposed of within a redevelopment area shall be disposed of under a redevelopment contract in accordance with the provisions of this act.

Property disposed of outside an urban renewal project area shall be disposed of by deed in accordance with the provisions set forth in applicable law.

Section 3. The act is amended by adding a section to read:

Section 19.2. Statute of Limitations.—

Notwithstanding the provisions of 42 Pa.C.S. § 5526(4) (relating to five year limitation) or any other provision of law to the contrary, a proceeding to challenge just compensation or other damages if a redevelopment authority has exercised powers of condemnation pursuant to this act and made payment in accordance with section 407(a) or (b) of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the "Eminent Domain Code," is subject to a one-year statute of limitations.

Section 4. The amendment of section 11 of the act shall apply to contracts entered into after the effective date of this act.

Section 5. This act shall take effect in 60 days.

APPROVED—The 2nd day of October, A.D. 2002.

MARK S. SCHWEIKER