

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 62 Session of 2025

INTRODUCED BY FARRY, SAVAL, PENNYCUICK, FONTANA AND COSTA,
 JANUARY 22, 2025

REFERRED TO URBAN AFFAIRS AND HOUSING, JANUARY 22, 2025

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
 2 "An act relating to the finances of the State government;
 3 providing for cancer control, prevention and research, for
 4 ambulatory surgical center data collection, for the Joint
 5 Underwriting Association, for entertainment business
 6 financial management firms, for private dam financial
 7 assurance and for reinstatement of item vetoes; providing for
 8 the settlement, assessment, collection, and lien of taxes,
 9 bonus, and all other accounts due the Commonwealth, the
 10 collection and recovery of fees and other money or property
 11 due or belonging to the Commonwealth, or any agency thereof,
 12 including escheated property and the proceeds of its sale,
 13 the custody and disbursement or other disposition of funds
 14 and securities belonging to or in the possession of the
 15 Commonwealth, and the settlement of claims against the
 16 Commonwealth, the resettlement of accounts and appeals to the
 17 courts, refunds of moneys erroneously paid to the
 18 Commonwealth, auditing the accounts of the Commonwealth and
 19 all agencies thereof, of all public officers collecting
 20 moneys payable to the Commonwealth, or any agency thereof,
 21 and all receipts of appropriations from the Commonwealth,
 22 authorizing the Commonwealth to issue tax anticipation notes
 23 to defray current expenses, implementing the provisions of
 24 section 7(a) of Article VIII of the Constitution of
 25 Pennsylvania authorizing and restricting the incurring of
 26 certain debt and imposing penalties; affecting every
 27 department, board, commission, and officer of the State
 28 government, every political subdivision of the State, and
 29 certain officers of such subdivisions, every person,
 30 association, and corporation required to pay, assess, or
 31 collect taxes, or to make returns or reports under the laws
 32 imposing taxes for State purposes, or to pay license fees or
 33 other moneys to the Commonwealth, or any agency thereof,
 34 every State depository and every debtor or creditor of the

1 Commonwealth," establishing the Redevelopment Authority
2 Startup Loan Program and the Redevelopment Authority Startup
3 Fund; and making an interfund transfer.

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

6 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
7 as The Fiscal Code, is amended by adding an article to read:

8 ARTICLE XVIII-B

9 REDEVELOPMENT AUTHORITY STARTUP LOAN PROGRAM

10 Section 1801-B. Definitions.

11 The following words and phrases when used in this article
12 shall have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Department." The Department of Community and Economic
15 Development of the Commonwealth.

16 "Fund." The Redevelopment Authority Startup Fund established
17 in this article.

18 "Qualified county." A county, other than a county of the
19 first class or county of the second class.

20 "Qualified redevelopment authority." A public body and body
21 corporate and politic created and organized in accordance with
22 the provisions of the act of May 24, 1945 (P.L.991, No.385),
23 known as the Urban Redevelopment Law, and established and
24 located in a qualified county.

25 "Startup loan." A loan issued to a qualified redevelopment
26 authority from the fund.

27 Section 1802-B. (Reserved).

28 Section 1803-B. Redevelopment Authority Startup Loan Program.

29 The Redevelopment Authority Startup Loan Program is
30 established in the department.

31 Section 1804-B. Application and approval process.

1 (a) Application.--A qualified redevelopment authority may
2 apply to the department for a startup loan as provided under
3 this article. An application made under this subsection must be
4 submitted in a form and manner required by the department.

5 (b) Application period.--A qualified redevelopment authority
6 may submit an application to the department for a startup loan
7 beginning from January 1, 2026, until the earlier of the
8 following:

9 (1) the date on which all money appropriated by the
10 General Assembly to the fund has been awarded as startup
11 loans; or

12 (2) January 1, 2028.

13 (c) Review.--When reviewing applications for startup loans,
14 the department shall:

15 (1) Provide a startup loan from the fund to one or more
16 qualified redevelopment authorities in one or more qualified
17 counties, if the qualified redevelopment authority or
18 authorities in the qualified county or counties have applied
19 and the qualified county or counties are in compliance with
20 all requirements established by the department.

21 (2) Give priority to a qualified redevelopment authority
22 in a qualified county with existing municipal blight
23 programs, if the qualified redevelopment authority has
24 applied in that qualified county.

25 (d) (Reserved).

26 (e) Loan amounts.--A startup loan may not exceed \$500,000.

27 Section 1805-B. Startup loans.

28 (a) Eligible uses.--Except as provided under subsection (b),
29 a startup loan may be used by a qualified redevelopment
30 authority only for the following purposes:

1 (1) The purchase of a residential property or a
2 commercial property by a qualified redevelopment authority.

3 (2) The cost of redevelopment of a residential property
4 or a commercial property purchased under paragraph (1) or
5 owned by the qualified redevelopment authority.

6 (3) The cost of remediating a residential property or a
7 commercial property purchased under paragraph (1) or owned by
8 the qualified redevelopment authority.

9 (4) The necessary costs or administrative expenses to
10 execute the activities in paragraph (1), (2) or (3), not to
11 exceed 5% of the amount of the startup loan.

12 (b) Ineligible uses.--A startup loan may not be used to pay
13 for any of the following:

14 (1) The operating expenses of the qualified
15 redevelopment authority.

16 (2) The refinancing or reduction of a debt or obligation
17 incurred prior to the award of the startup loan.

18 (c) Required repayment.--A qualified redevelopment authority
19 that is awarded a startup loan must enter into a contract for
20 the repayment of the startup loan in accordance with the terms
21 provided under subsection (d).

22 (d) Repayment terms.--A startup loan shall be subject to the
23 following terms and conditions:

24 (1) The term of the startup loan may not exceed 10
25 years.

26 (2) The interest rate of the startup loan may not exceed
27 2% per year.

28 (3) The department may require the qualified
29 redevelopment authority to provide collateral sufficient in
30 the department's determination to protect the Commonwealth's

1 interest in the startup loan.

2 (e) Deposit of repayment amounts.--The amount of principal
3 and interest repaid by a qualified redevelopment authority shall
4 be deposited into the fund.

5 Section 1806-B. Redevelopment Authority Startup Fund.

6 (a) Establishment.--The Redevelopment Authority Startup Fund
7 is established in the State Treasury as a revolving loan fund.
8 The money in the fund is appropriated to the department on a
9 continuing basis for the purpose of making startup loans under
10 this article and paying administrative expenses under subsection
11 (d).

12 (b) Deposits.--The following shall be deposited into the
13 fund:

14 (1) Amounts appropriated or transferred by act of the
15 General Assembly to the fund.

16 (2) Amounts repaid under section 1805-B(e).

17 (c) Interfund transfer.--The State Treasurer shall transfer
18 \$10,000,000 from the General Fund to the fund.

19 (d) Administrative expenses.--The amount of administrative
20 expenses of the department paid from the fund in any fiscal year
21 may not exceed 2% of the amount of startup loans awarded in that
22 fiscal year.

23 (e) Guidelines.--The department may issue guidelines to
24 implement this article.

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