

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 802 Session of 2023

INTRODUCED BY FARRY, PENNYCUICK AND SAVAL, JUNE 19, 2023

SENATOR FARRY, URBAN AFFAIRS AND HOUSING, AS AMENDED, JUNE 21, 2023

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.

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 XVI-U

9 REDEVELOPMENT AUTHORITY STARTUP LOAN PROGRAM

10 Section 1601-U. 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 1602-U. (Reserved).

28 Section 1603-U. Redevelopment Authority Startup Loan Program.

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

31 Section 1604-U. Application and approval process.

1 (a) General rule.--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, 2024, 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, 2026.

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

15 ~~(1) Provide a startup loan from the fund to at least one~~ <--
16 ~~county of each qualified county classification, if a county~~
17 ~~of that classification has applied and the county is in~~
18 ~~compliance with all requirements established by the~~
19 ~~department.~~

20 ~~(2) Give priority to qualified redevelopment authorities~~
21 ~~in a county with existing municipal blight programs, if the~~
22 ~~county has applied in that qualified county classification.~~

23 (1) PROVIDE A STARTUP LOAN FROM THE FUND TO ONE OR MORE <--
24 QUALIFIED REDEVELOPMENT AUTHORITIES IN ONE OR MORE QUALIFIED
25 COUNTIES, IF THE QUALIFIED REDEVELOPMENT AUTHORITY OR
26 AUTHORITIES IN THE QUALIFIED COUNTY OR COUNTIES HAVE APPLIED
27 AND THE QUALIFIED COUNTY OR COUNTIES ARE IN COMPLIANCE WITH
28 ALL REQUIREMENTS ESTABLISHED BY THE DEPARTMENT.

29 (2) GIVE PRIORITY TO A QUALIFIED REDEVELOPMENT AUTHORITY
30 IN A QUALIFIED COUNTY WITH EXISTING MUNICIPAL BLIGHT

1 PROGRAMS, IF THE QUALIFIED REDEVELOPMENT AUTHORITY HAS
2 APPLIED IN THAT QUALIFIED COUNTY.

3 (d) (Reserved).

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

5 Section 1605-U. Startup loans.

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

9 (1) The purchase of a residential property or a
10 commercial property BY A QUALIFIED REDEVELOPMENT AUTHORITY. <--

11 (2) The cost of redevelopment OF A residential property <--
12 or a commercial property purchased under paragraph (1) or
13 owned by the qualified redevelopment authority.

14 (3) The cost of remediating a residential property or a
15 commercial property purchased under paragraph (1) or owned by
16 the qualified redevelopment authority.

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

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

22 (1) The operating expenses of the qualified
23 redevelopment authority.

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

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

30 (d) Repayment terms.--A startup loan shall be subject to the

1 following terms and conditions:

2 (1) The term of the startup loan may not exceed 10
3 years.

4 (2) The interest rate of the startup loan may not exceed
5 2% per year.

6 ~~(3) The qualified redevelopment authority may be~~ <--
7 ~~required by the department to enter into a security agreement~~
8 ~~sufficient to protect the Commonwealth's interests in the~~
9 ~~startup loan.~~

10 (3) THE DEPARTMENT MAY REQUIRE THE QUALIFIED <--
11 REDEVELOPMENT AUTHORITY TO PROVIDE COLLATERAL SUFFICIENT IN
12 THE DEPARTMENT'S DETERMINATION TO PROTECT THE COMMONWEALTH'S
13 INTEREST IN THE STARTUP LOAN.

14 (e) Deposit of repayment amounts.--The amount of principal
15 and interest repaid by a qualified redevelopment authority shall
16 be deposited into the fund.
17 Section 1606-U. Redevelopment Authority Startup Fund.

18 (a) Establishment.--The Redevelopment Authority Startup Fund
19 is established in the State Treasury as a revolving loan fund.
20 The money in the fund is appropriated to the department on a
21 continuing basis for the purpose of making startup loans under
22 this article and paying administrative expenses under subsection
23 (d).

24 (b) Deposits.--The following shall be deposited into the
25 fund:

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

28 (2) Amounts repaid under section 1605-U(e).

29 (c) Interfund transfer.--The State Treasurer shall transfer
30 \$10,000,000 from the General Fund to the Redevelopment Authority

1 Startup Fund.

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

6 (E) GUIDELINES.--THE DEPARTMENT MAY ISSUE GUIDELINES TO <--
7 IMPLEMENT THIS ARTICLE.

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