



ZONING & LAND USE PRACTICE GROUP

ALERT

SIGNIFICANT BENEFIT TO DEVELOPERS AND LANDOWNERS: GOVERNOR RENDELL SIGNS APPROVAL/PERMIT SUSPENSION LEGISLATION

by Kimberly A. Freimuth and Robert W. Gundlach, Jr.

On July 6, 2010, Governor Rendell signed the Fiscal Code Bill (Senate Bill 1042), providing, in part, for the automatic suspension, during the “extension period” (which begins after December 31, 2008, and ends before July 2, 2013), of approvals granted by a government agency for or in effect during the extension period, whether obtained before or after the beginning of the extension period. This new legislation is a welcome relief, and significant benefit, to Pennsylvania developers and landowners hurt by the recession. Significantly, certain permits and approvals that may have expired since December 31, 2008, may no longer be considered to have expired, but have been suspended since January 1, 2009, thereby buying a developer or landowner significant additional time.

The term “approval” is defined broadly in the legislation to include any government agency approval, agreement, permit, including a building permit or extension permit, or other authorization or decision allowing a development or construction project to proceed or relating to or affecting development granted pursuant to a statute, regulation or ordinance adopted by a municipality (including, but not limited to the Planned Communities Act, the Condominium Act, the Clean Steams Law, the Municipalities Planning Code, the State Highway Law as it relates to the issuance of Highway Occupancy Permits, the Sewage Facilities Act, the Flood Plain Management Act, the Storm Water Management Act, the Construction Code and the portion of the Pennsylvania Code relating to Erosion and Sediment Control as to Soil Erosion and Sediment Control Plans approved by Local Soil Conservation Districts). In addition, the term “approval” includes creating additional units and

common elements out of convertible real estate in a condominium or planned community. During the extension period, however, a government agency shall retain the authority to suspend or revoke an approval for noncompliance with a written condition and to enforce conditions of approvals granted prior to the extension period.

In Philadelphia, however, the suspension is not automatic. The approval is suspended only after the holder of the approval (1) provides notice to the issuing government agency of the holder’s intent to exercise their rights under the legislation to suspend the expiration date of the approval and (2) pays a fee equal to 50 percent of the original application fee, but not to exceed \$5,000.

There are other exceptions to the automatic suspension that are notable. First, with regard to Highway Occupancy Permits, such permits shall only be extended by the Department of Transportation upon the submission of a complete and accurate application throughout the extension period for one-year intervals. Second, any approval issued by the Department of Environmental Protection for a discharge into exceptional value or high quality waters is not subject to the automatic suspension. Third, approvals issued for compliance with federal law are not deemed suspended. Finally, with regard to an approval to connect to a public sewer system, the automatic suspension during the extension period is contingent on the availability of capacity for the extended approval.

Any holder or recipient of an approval may seek written verification from the issuing government

agency for any of the following: (1) the existence of a valid approval; and/or (2) the expiration date of the approval under the new legislation. The request must state the approval in question and provide the anticipated expiration date in light of the extension period. Upon receipt of a request, the government agency shall have 30 days within which to affirm or deny the existence of the approval, its expiration date and any issues associated with its validity. If the agency fails to respond within 30 days, the approval that was the subject of the request, as well as the anticipated expiration date, shall be deemed affirmed. The agency may charge a fee of not more than \$100 for a residential approval request and \$500 for a commercial approval request.

Municipalities and other government agencies have until August 5, 2010, to publish notice in the *Pennsylvania Bulletin* of the applicability of the extension period to approvals they have granted.

A copy of the legislation can be viewed [here](#).

For more information on this Alert please contact [Kimberly A. Freimuth](#) at 215.918.3627 or kfreimuth@foxrothschild.com, [Robert W. Gundlach, Jr.](#) at 215.918.3636 or rgundlach@foxrothschild.com or any member of the firm's [Zoning & Land Use Practice](#).



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