

## ALERTS AND UPDATES

### Pennsylvania Adopts Legislation Granting Automatic Extension to Development Approvals

July 12, 2010

On July 6, 2010, Pa. Gov. Ed Rendell signed into law Senate Bill 1042, which, among other items, grants an automatic extension to most development approvals and permits. The new law provides that the expiration date for an approval granted by a government agency on or after January 1, 2009, shall be automatically suspended until July 1, 2013.

This legislation is intended to give residential and commercial developers in Pennsylvania reprieve from the current economic recession. Mainly, the act will allow developers additional time to preserve their projects with minimal cost until the economy recovers and development financing loosens. Many developers have projects in the pipeline that have been placed on hold due to the current economic climate. Without this legislation, such developers, who likely spent large sums of money securing the development permits, would be faced with having to spend additional money hoping to secure extension of their existing approvals or losing the project.

Certain development permits and approvals are excluded from the act, including for example, those issued by the Department of Environmental Protection in connection with exceptional-value surface waters or wetlands. In Philadelphia, the act is limited to building permits, zoning use and registration permits and any administrative approval that is a condition precedent to the issuance of a building permit or zoning permit.

In addition, there may be some fees associated with securing the extension. A permit holder in Philadelphia may be charged a fee equal to 50 percent of the original application fee (though not to exceed \$5,000). In other municipalities, the government agency that originally issued the approval may charge a fee up to 25 percent of the original application fee (though not to exceed \$5,000) in order to extend the approval.

#### For Further Information

If you have any questions about this *Alert* or would like more information, please contact [George J. Kroculich](#), [Michael J. McCalley](#), any other [member](#) of the [Real Estate Practice Group](#) or the attorney in the firm with whom you are regularly in contact.