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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 944 Session of  
2015

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INTRODUCED BY TAYLOR, KOTIK, O'BRIEN, GODSHALL, KILLION,  
A. HARRIS, W. KELLER, DRISCOLL, MURT AND WATSON,  
APRIL 15, 2015

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REFERRED TO COMMITTEE ON COMMERCE, APRIL 15, 2015

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AN ACT

1 Amending the act of December 21, 1998 (P.L.1307, No.174),  
2 entitled "An act relating to cities of the first class,  
3 establishing Neighborhood Improvement Districts; conferring  
4 powers and duties on municipal corporations and Neighborhood  
5 Improvement Districts; and providing for annual audits and  
6 for tourism and marketing," further providing for  
7 definitions, for powers of municipal corporations, for  
8 creation of neighborhood improvement districts, for creation  
9 of neighborhood improvement district management associations,  
10 for powers of neighborhood improvement district management  
11 associations, for annual audit and report and for  
12 applicability.

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

15 Section 1. Section 3 of the act of December 21, 1998  
16 (P.L.1307, No.174), known as the Community and Economic  
17 Improvement Act, is amended by adding a definition to read:

18 Section 3. Definitions.

19 The following words and phrases when used in this act shall  
20 have the meanings given to them in this section unless the  
21 context clearly indicates otherwise:

22 "Affected property owner." An owner of real property located

1 in a neighborhood improvement district upon which a special  
2 assessment fee is proposed to be or has been levied as  
3 authorized by this act.

4 \* \* \*

5 Section 2. Section 4(6) of the act is amended to read:

6 Section 4. Powers of municipal corporation.

7 Every municipal corporation shall have the power:

8 \* \* \*

9 (6) To acquire, by gift[, purchase or eminent domain,]  
10 or purchase, land, real property or rights-of way which may  
11 be needed for the purposes of making physical improvements  
12 within the NID.

13 \* \* \*

14 Section 3. Section 5(b), (c)(2)(v) and (3)(vii), (d), (e),  
15 (f) and (g)(1), (2) and (3) of the act are amended and the  
16 section is amended by adding a subsection to read:

17 Section 5. Creation of neighborhood improvement district.

18 \* \* \*

19 (b) Specific procedures.--

20 (1) A copy of [everything required under this section]  
21 the preliminary plan or any revised plan with respect to  
22 which a public hearing must be held under this act, as well  
23 as the date, location and time of any public hearing required  
24 by this act, shall be provided by the municipal corporation  
25 to all affected property owners and lessees of affected  
26 property owners [located in the proposed NID] at least 30  
27 days prior to [the first] any public hearing required by this  
28 section.

29 (2) At least one public hearing[, no earlier than 15  
30 days apart,] for the purpose of receiving public comment on

1 the proposed NIDP from affected property owners [within the  
2 proposed NID, on the proposed NIDP,] shall be held by the  
3 municipality before the establishment of an NID. Notice of  
4 the hearing shall be provided in accordance with paragraph  
5 (1) and shall be advertised at least ten days prior thereto  
6 in a newspaper of general circulation in the municipality.

7 [(3) Any objections by property owners within the  
8 proposed NID must be made in writing by persons representing  
9 the ownership of 51%, in numbers, of the benefited properties  
10 within the NID or by property owners within the proposed NID  
11 whose property valuation as assessed for taxable purposes  
12 shall amount to 51% of the total property valuation within  
13 the NID. Objections must be signed by the property owner and  
14 filed in the office of the clerk for the governing body of  
15 the municipality in which the NID is proposed.]

16 (4) If revisions, other than technical revisions, are  
17 made to the preliminary plan or a revised preliminary plan, a  
18 public hearing shall be held for the purpose of receiving  
19 public comment on the revisions with notice and advertising  
20 provided in accordance with paragraphs (1) and (2).

21 (5) Objections to the proposed NID may be filed by  
22 affected property owners within the NID. Objections shall be  
23 in writing, signed by the property owner, identify the  
24 address of any property for which objection is being made and  
25 be filed in the office of the clerk for the governing body of  
26 the municipality in which the NID is proposed at any time no  
27 more than 45 days after the hearing held on the final plan.

28 (6) An objection filed in connection with a preliminary  
29 plan or a revised preliminary plan shall constitute an  
30 objection to the final plan, unless such objection is

1 withdrawn in writing by the objector.

2 (7) The filing of objection by:

3 (i) affected property owners representing the  
4 ownership of at least one-third of the properties owned  
5 by affected property owners within the NID;

6 (ii) affected property owners within the NID, the  
7 value of whose properties, as assessed for taxable  
8 purposes, amounts to at least one-third of the total  
9 property valuation of property owned by affected property  
10 owners within the NID,

11 shall prohibit the establishment of proposed NID.

12 (c) Contents of preliminary plan.--The plan shall include  
13 the following:

14 \* \* \*

15 (2) A written report from the municipality containing:

16 \* \* \*

17 (v) A proposed budget for [the first fiscal year]  
18 each year of proposed operation of the NID covered by the  
19 NIDP, including, but not limited to, the following:  
20 personnel and administration, programs and services,  
21 maintenance and operation, and capital expenditures.

22 \* \* \*

23 (3) In addition, the plan shall also:

24 \* \* \*

25 (vii) [Provide that a negative vote of at least 51%  
26 of the property owners within the NID or property owners  
27 within the NID whose property valuation as assessed for  
28 taxable purposes amounts to 51% of the total property  
29 valuation located within the NID proposed in the final  
30 plan shall be required to defeat the establishment of the

1 proposed NID by filing objections with the clerk for the  
2 governing body of the municipality within 45 days of  
3 presentation of the final plan where the governing body  
4 of municipality is inclined to establish the NID.] Set  
5 fourth the provisions of subsection (b)(4).

6 (d) [Final plan.--Prior to the establishment of an NID, the  
7 municipality shall submit a revised final plan to property  
8 owners located within the proposed NID which incorporates  
9 changes made to the plan based on comments from affected  
10 property owners within the NID provided at the public hearings  
11 or at some other time. Changes to the final plan which differ  
12 from the preliminary plan] Plan revisions.--Revisions to a  
13 preliminary plan or a revised preliminary plan shall [also] be  
14 [so] indicated in an easily discernible method for the reader,  
15 including, but not limited to, changes being in boldfaced or  
16 italicized type.

17 [(e) Public hearing.--At least one public hearing for the  
18 purpose of receiving public comment on any revisions to the  
19 preliminary plan made following suggestions by affected property  
20 owners within the proposed NID and reflected in the final NIDP  
21 shall be held by the municipal corporation before enacting an  
22 ordinance establishing an NID. Notice of the hearing shall be  
23 advertised at least ten days prior thereto in a newspaper of  
24 general circulation in the municipality.

25 (f) Veto of final plan for NID.--

26 (1) Following the last public hearing required under  
27 subsection (e) or under subsection (g) if an amendment to the  
28 final plan, affected property owners located within a  
29 proposed NID shall have 45 days from the date of the hearing  
30 to object to and disapprove the final plan or any amendment

1 to the final plan under the requirements of subsection (b)  
2 (3).

3 (2) If 51% or more of the affected property owners or  
4 property owners whose property valuation as assessed for  
5 taxable purposes amounts to 51% of the total property  
6 valuation within the proposed NID fail to register their  
7 disapproval of the final plan or amendment to the final plan  
8 in writing with the clerk of the governing body of the  
9 municipality in which the NID is proposed, the governing body  
10 of the municipality may, following the 45-day period, enact a  
11 municipal ordinance establishing an NID under this act or, in  
12 the case of an amendment to the final plan, adopt any  
13 amendments to the ordinance.]

14 (f.1) Approval of final plan for NID.--If fewer than the  
15 number of objections needed under this section to prohibit  
16 adoption of an NIDP or an amendment to an NIDP are received by  
17 the clerk of the governing body of the municipality within 45  
18 days after a hearing on the final plan, the governing body of  
19 the municipality may, following the 45-day period, enact a  
20 municipal ordinance establishing an NID under this act or, in  
21 the case of an amendment to final plan, adopt any amendments to  
22 the ordinance.

23 (g) Amendments to final plan.--

24 (1) The final plan may be amended by the NIDMA any time  
25 after the establishment of an NID, [pursuant to the  
26 provisions of this act,] upon the recommendation of the NIDMA  
27 board, provided [there is concurrence with the owners of at  
28 least 51% of the assessed valuation of all property within  
29 the NID or 51% of the property owners within the NID.] the  
30 NIDMA board notifies in writing affected property owners of

1 any amendment and the property owners' right to file  
2 objections to the amendment with the chief clerk of the  
3 governing body of the municipality. If, within 45 days of  
4 notification, affected property owners representing the  
5 ownership of at least one-third of the affected properties  
6 within the NID or affected property owners within the NID  
7 whose property valuation, as assessed for taxable purposes,  
8 amounts to one-third of the total property valuation of  
9 affected property owners within the NID file objections to  
10 the amendment with the chief clerk of the governing body of  
11 the municipality, the plan shall not be amended.

12 (2) [Amendments] The following amendments to the final  
13 plan [which] also require, in addition to the requirements of  
14 paragraph (1), the approval of the governing body of the  
15 municipality establishing the NID [include]:

16 (i) Substantially changed or added programs,  
17 improvements and/or services to be provided in the NID.

18 (ii) [Increased expenditures affecting more than 25%  
19 of the total NIDMA budget for the fiscal year.] Increases  
20 in the budget for any year with respect to which a budget  
21 has been approved in an NIDP approved by the governing  
22 body.

23 (iii) Incurring increased indebtedness.

24 (iv) Changing the assessment fee structure levied on  
25 property owners in the NID.

26 (v) Changing the legal entity (NIDMA) which provides  
27 programs, improvements and services within the NID.

28 (vi) Changing the NID service area boundary.

29 Prior to the governing body of the municipality approving any  
30 of the changes in this paragraph, the governing body shall

1 hold at least one public hearing to determine that such  
2 changes are in the public interest as it relates to affected  
3 property owners within the NID.

4 (3) The municipality shall provide public notice of the  
5 hearing for any amendments requiring approval of the  
6 governing body by publication of a notice in at least one  
7 newspaper having a general circulation in the NID, specifying  
8 the time and the place of such hearing and the amendments to  
9 be considered. This notice shall be published once at least  
10 10 days prior to the date of the hearing.

11 \* \* \*

12 Section 4. Sections 6(b) and (d)(3), 7(b)(2), 9 and 12(c),  
13 (d) and (e) of the act are amended to read:

14 Section 6. Creation of neighborhood improvement district  
15 management association.

16 \* \* \*

17 (b) Administration.--

18 [(1)] NIDs created pursuant to this act shall be  
19 administered by an NIDMA which shall be an authority created  
20 pursuant to the act of May 2, 1945 (P.L.382, No.164), known  
21 as the Municipality Authorities Act of 1945, an existing  
22 nonprofit development corporation, an existing nonprofit  
23 corporation or a nonprofit development corporation or  
24 nonprofit corporation established by the governing body or  
25 authorized to be established by the governing body of the  
26 municipality in which the NID is to be located, to administer  
27 the NIDP.

28 [(2)] If an active nonprofit development corporation  
29 already exists within the geographic boundaries of the NID  
30 and formally indicates its interest to the governing body of

1 the municipality to become the designated NIDMA, the  
2 governing body of the municipality shall grant that request  
3 unless 51% or more of the affected property owners or  
4 property owners whose property valuation as assessed for  
5 taxable purposes amounts to 51% of the total property  
6 valuation within the proposed NID register their disapproval  
7 of this designation in writing with the clerk of the  
8 governing body within a 45-day period following the formal  
9 written request for designation by the nonprofit development  
10 corporation to become the NIDMA.]

11 \* \* \*

12 (d) Board.--Every NIDMA shall have an administrative board.

13 \* \* \*

14 (3) Where a nonprofit development corporation or other  
15 nonprofit corporation is established to serve as the NIDMA  
16 for an NID, the board shall be comprised of an odd number of  
17 members, between five and [nine] fifteen, with at least one  
18 member representing the municipal corporation in which the  
19 NID is located.

20 \* \* \*

21 Section 7. Powers of neighborhood improvement district  
22 management association.

23 \* \* \*

24 (b) Assessments.--

25 \* \* \*

26 [(2) All assessments authorized under this section shall  
27 be calculated using January 1 as the first day of the fiscal  
28 year.]

29 \* \* \*

30 Section 9. Annual audit; report.

1 The NIDMA shall annually:

2 (1) submit an audit of all income and expenditures to  
3 the Department of Community and Economic Development [and],  
4 the governing body of the municipality in which the NID is  
5 located and any other municipal department, designated by the  
6 NID ordinance, within 120 days after the end of each fiscal  
7 year; and

8 (2) submit a report, including financial and  
9 programmatic information, including a summary of audit  
10 findings, to the governing body of the municipality in which  
11 the NID is located [and], to all assessed property owners  
12 located in the NID and to any other municipal department,  
13 designated by the NID ordinance, within 120 days after the  
14 end of each fiscal year.

15 Section 12. Applicability.

16 \* \* \*

17 [(c) Districts created subsequently.--Any NID established  
18 subsequent to the effective date of this act shall be governed  
19 by the provisions of this act.

20 (d) Previously terminated districts.--Any business  
21 improvement district or downtown improvement district in  
22 existence prior to the effective date of this act which is  
23 terminated shall, upon its reestablishment, be governed by the  
24 provisions of this act. This shall include any termination  
25 resulting from a sunset provision in any municipal agreement or  
26 ordinance.]

27 (e) [Additional requirements.--] Requirements.--A business  
28 improvement district may be established or continued pursuant to  
29 provisions of this act or the provisions of the Municipality  
30 Authorities Act of 1945, insofar as it relates to business

1 improvement districts. Any business improvement district or  
2 downtown improvement district [in existence on the effective  
3 date of this act shall:

4 (1) be required to carry out any duty or responsibility  
5 imposed on NIDs under this act; and

6 (2)] established under the Municipality Authorities Act  
7 of 1945, insofar as it relates to business improvement  
8 districts, shall possess any additional power given to NIDs  
9 under this act without having to restructure or reorganize  
10 under this act.

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