

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1177 Session of
2013

INTRODUCED BY LUCAS AND MILLARD, APRIL 15, 2013

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
SEPTEMBER 16, 2014

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, providing for appeal of decision by
3 school reform commission; further providing for initiative of
4 electors seeking consolidation or merger with new home rule
5 charter and for investment of authority funds; ~~consolidating~~ <--
6 ~~city revitalization and improvement zone provisions of the~~
7 ~~Tax Reform Code of 1971 and revising provisions on~~
8 ~~definitions, establishment of contracting authority,~~
9 ~~contracting authority duties, approval, exclusions, functions~~
10 ~~of contracting authorities, qualified businesses, reports,~~
11 ~~calculation of baseline, transfers, restrictions, transfer of~~
12 ~~property, duration, review, penalties and guidelines;~~
13 ~~providing for a hotel room rental tax in certain third class~~
14 ~~counties; providing for authorization of a hotel tax in~~
15 ~~certain counties of the fourth class, for second class~~
16 ~~township hotel room rental tax and AND PROVIDING for local~~ <--
17 ~~option cigarette tax in school districts of the first class~~
18 ~~and for local sales tax revenues in cities of the first~~
19 ~~class; making an editorial change; and making related~~ <--
20 ~~repeals.~~

21 The General Assembly of the Commonwealth of Pennsylvania
22 hereby enacts as follows:

23 Section 1. Title 53 of the Pennsylvania Consolidated
24 Statutes is amended by adding a section to read:

25 § 303. Appeal of decision by school reform commission.

26 Notwithstanding the provisions of section 696(i) of the act

1 of March 10, 1949 (P.L.30, No.14), known as the Public School
2 Code of 1949, or any other provision of law to the contrary, the
3 following shall apply:

4 (1) A charter school applicant may appeal a decision of
5 a school reform commission to deny an application to
6 establish a charter school in a school district of the first
7 class to the charter school appeal board established under
8 section 1721-A of the Public School Code of 1949.

9 (2) Section 1717-A(a), (c), (d), (e), (f), (g), (h) and
10 (i) of the Public School Code of 1949 shall apply to an
11 application to establish a charter school in a school
12 district of the first class.

13 (3) A school reform commission shall be considered a
14 board of school directors or a local board of school
15 directors as such terms are used in section 1717-A of the
16 Public School Code of 1949.

17 Section 1.1. Section 735.1(a), (c), (d) (3), (e) (3), (g) (1)
18 and (l) (6) and (7) of Title 53 are amended and subsection (l) is
19 amended by adding a paragraph to read:

20 § 735.1. Initiative of electors seeking consolidation or merger
21 with new home rule charter.

22 (a) General rule.--In order for a commission and
23 consolidation or merger proceedings to be initiated by petition
24 of electors, petitions containing signatures of at least 5% of
25 the number of electors voting for the office of Governor in the
26 last gubernatorial general election in each municipality
27 proposed to be consolidated or merged shall be filed with the
28 county board of elections of the county in which the
29 municipality, or the greater portion of its territory, is
30 located. The petition shall set forth:

1 (1) The name of the municipality from which the signers
2 of the petition were obtained.

3 (2) The names of the municipalities proposed to be
4 consolidated or merged.

5 (3) An estimated cost of the study commission.

6 (4) The number of persons to compose the commission.

7 (5) The petition question which shall read as follows:

8 Shall a Government Study Commission of (seven, nine
9 or eleven) members be elected to study the issue of
10 consolidation or merger of (municipalities to be
11 consolidated or merged); to provide a recommendation
12 on consolidation or merger; to consider the
13 advisability of the adoption of a new home rule
14 charter; and to draft a new home rule charter, if
15 recommended in the report of the commission?

16 (6) The petition shall also include the following
17 statement:

18 Only municipalities voting in the affirmative on the
19 question will be held responsible for the costs of
20 the study commission.

21 * * *

22 [(c) Contents.--A petition shall set forth:

23 (1) The name of the municipality from which the signers
24 of the petition were obtained.

25 (2) The names of the municipalities proposed to be
26 consolidated or merged.

27 (3) The number of persons to compose the commission.

28 (4) The petition question which shall read as follows:

29 Shall a Government Study Commission of (seven, nine
30 or eleven) members be elected to study the issue of

1 consolidation or merger of (municipalities to be
2 consolidated or merged); to provide a recommendation
3 on consolidation or merger; to consider the
4 advisability of the adoption of a new home rule
5 charter; and to draft a new home rule charter, if
6 recommended in the report of the commission?]

7 (d) Filing of petition and duty of election board.--

8 * * *

9 (3) At the next general, municipal or primary election
10 occurring not less than the 13th Tuesday after the filing of
11 the petition with the county board of elections, it shall
12 cause the appropriate question and statement listed under
13 subsection (a) (5) and (6) to be submitted to the electors of
14 each of the municipalities proposed to be consolidated or
15 merged in the same manner as other questions are submitted
16 under the act of June 3, 1937 (P.L.1333, No.320), known as
17 the Pennsylvania Election Code.

18 (e) Election of members of commission.--

19 * * *

20 (3) Each elector shall be instructed to vote on the
21 question and, regardless of the manner of his vote on the
22 question, to vote for the designated number of members of the
23 commission who shall serve if the question is or has been
24 determined in the affirmative by the majority of the whole of
25 those voting in all the municipalities impacted by the
26 consolidation or merger.

27 * * *

28 (g) Results of election.--

29 (1) The result of the votes cast for and against the
30 question as to the election of a commission and consolidation

1 and merger proceedings shall be returned by the election
2 officers, and a canvass of the election had, as is provided
3 by law in the case of other public questions put to the
4 electors. The votes cast for members of the commission shall
5 be counted and the result returned by the county board of
6 electors of the county in which the municipality, or the
7 greater portion of its territory, is located, and a canvass
8 of the election had, as is provided by law in the case of
9 election of members of municipal councils or boards. If a
10 majority of the whole in the municipalities proposed to be
11 consolidated or merged vote in the affirmative on the
12 question, then the commission shall be formed to study the
13 issue of consolidation or merger and to make recommendations
14 as set forth in the question. The designated number of
15 candidates receiving the greatest number of votes shall be
16 elected and shall constitute the commission. If a majority of
17 [those] the whole in the municipalities voting on the
18 question vote against the election of the commission, none of
19 the candidates shall be elected. If two or more candidates
20 for the last seat shall be equal in number of votes, they
21 shall draw lots to determine which one shall be elected.

22 * * *

23 (1) Compensation, personnel and commission budget.--

24 * * *

25 (6) No later than 15 days after the submission of a
26 budget in accordance with paragraphs (4) or (5), a joint
27 public hearing of the commission and the governing bodies of
28 the municipalities shall be held. The governing bodies of the
29 municipalities to be consolidated or merged may, by
30 agreement, modify any budget submitted by the commission. A

1 governing body of a municipality to be consolidated or merged
2 may approve appropriations to the commission in conformity
3 with its share of the modified budget as determined in
4 accordance with paragraph (7) or (7.1). Any unreasonable
5 modification of the budget may be subject to an action as
6 provided in paragraph (8) in the court of common pleas of any
7 county wherein a municipality to be consolidated or merged
8 lies.

9 (7) [The] If a majority in each of the municipalities to
10 be consolidated or merged vote in favor of establishing a
11 commission, the municipalities [to be consolidated or merged]
12 may, by agreement, determine the share that each municipality
13 shall appropriate to fund the estimated budget of the
14 commission. If no agreement as to the respective amount that
15 each municipality shall appropriate is reached, each
16 municipality shall appropriate funds equal to its pro rata
17 share of the total estimated budget of the commission based
18 upon its share of population to the total population of the
19 municipalities to be consolidated or merged.

20 (7.1) When a commission is formed to study consolidation
21 or merger by a vote of the whole in the municipalities
22 considering the question, the municipalities that vote in the
23 affirmative shall be responsible for funding the budget of
24 the commission. Any municipalities that vote in the negative
25 on the question shall not be responsible for the budget costs
26 of the commission.

27 * * *

28 Section 2. Section 5611(d) of Title 53 is amended by adding
29 a paragraph to read:

30 § 5611. Investment of authority funds.

1 * * *

2 (d) Types.--Authorized types of investments for authority
3 funds shall be:

4 * * *

5 (7) Commercial paper rated in the highest rating
6 category, without reference to a subcategory, by a rating
7 agency. This paragraph shall only apply to an airport
8 authority board in a county of the second class.

9 * * *

10 ~~Section 2.1. Title 53 is amended by adding a chapter to~~ <--
11 ~~read:~~

12 CHAPTER 58

13 CITY REVITALIZATION AND IMPROVEMENT ZONES

14 Sec.

15 5801. Scope.

16 5802. Definitions.

17 5803. Establishment of contracting authority.

18 5804. Contracting authority duties.

19 5805. Approval.

20 5806. Exclusions.

21 5807. Functions of contracting authorities.

22 5808. Qualified businesses.

23 5809. Funds.

24 5810. Reports.

25 5811. Calculation of baseline.

26 5812. Certification.

27 5813. Transfers.

28 5814. Restrictions.

29 5815. Transfer of property.

30 5816. Duration.

1 ~~5817. Commonwealth pledges.~~

2 ~~5818. Review.~~

3 ~~5819. Confidentiality.~~

4 ~~5820. Penalties.~~

5 ~~5821. Guidelines.~~

6 ~~§ 5801. Scope.~~

7 ~~This chapter relates to city revitalization and improvement~~
8 ~~zones.~~

9 ~~§ 5802. Definitions.~~

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

13 ~~"Baseline year." The calendar year in which a zone was~~
14 ~~established.~~

15 ~~"Bond." The term includes any note, instrument, refunding~~
16 ~~note or other evidence of indebtedness or obligation approved by~~
17 ~~the department.~~

18 ~~"City." A city of the third class with a population of at~~
19 ~~least 30,000 based on the most recent Federal decennial census.~~
20 ~~The term shall not include a city that has had a receiver~~
21 ~~appointed under Chapter 7 of the act of July 10, 1987 (P.L.246,~~
22 ~~No.47), known as the Municipalities Financial Recovery Act.~~

23 ~~"City revitalization and improvement zone." An area of not~~
24 ~~more than 130 acres, comprised of parcels designated by the~~
25 ~~contracting authority, which will provide economic development~~
26 ~~and job creation within a city.~~

27 ~~"Contracting authority." A new or existing authority~~
28 ~~established by a city, home rule county or municipality to~~
29 ~~designate zones or pilot zones, issue bonds and engage in the~~
30 ~~financing, construction, related site preparation and~~

1 ~~infrastructure, reconstruction or renovation of facilities in~~
2 ~~accordance with this chapter. The term shall include:~~

3 ~~(1) An authority established under Chapter 56 (relating~~
4 ~~to municipal authorities) or other Commonwealth statute.~~

5 ~~(2) An authority established under the former act of~~
6 ~~December 27, 1994 (P.L.1375, No.162), known as the Third~~
7 ~~Class County Convention Center Authority Act, or Article~~
8 ~~XXIII of the act of August 9, 1955 (P.L.323, No.130), known~~
9 ~~as The County Code.~~

10 ~~"Department." The Department of Revenue of the Commonwealth.~~

11 ~~"Distressed city." A city that is a distressed city under~~
12 ~~the act of July 10, 1987 (P.L.246, No.47), known as the~~
13 ~~Municipalities Financial Recovery Act, and is located in a home-~~
14 ~~rule county.~~

15 ~~"Earned income tax." A tax imposed on earned income within a~~
16 ~~zone under the act of December 31, 1965 (P.L.1257, No.511),~~
17 ~~known as The Local Tax Enabling Act, which a city, or a school-~~
18 ~~district contained entirely within the boundaries of or~~
19 ~~coterminous with the city, is entitled to receive.~~

20 ~~"Eligible tax." Any of the following taxes:~~

21 ~~(1) Corporate net income tax, capital stock and~~
22 ~~franchise tax, bank shares tax or business privilege tax,~~
23 ~~calculated and apportioned as to amount attributable to the~~
24 ~~location within a zone and calculated under section 1904 B(b)~~
25 ~~and (c) of the Tax Reform Code.~~

26 ~~(2) Amusement tax, only to the extent the tax is related~~
27 ~~to the activity of a qualified business within a zone.~~

28 ~~(3) Sales and use tax, only to the extent the tax is~~
29 ~~related to the activity of a qualified business within a~~
30 ~~zone.~~

1 ~~(4) Personal income tax withheld from its employees by a~~
2 ~~qualified business for work performed in a zone.~~

3 ~~(5) Local services tax withheld from its employees by a~~
4 ~~qualified business for work performed in a zone.~~

5 ~~(6) Earned income tax withheld from its employees by a~~
6 ~~qualified business for work performed in a zone.~~

7 ~~(7) Tax paid to the Commonwealth on the sale of liquor,~~
8 ~~wine or malt or brewed beverages in a zone.~~

9 ~~The term does not include cigarette tax.~~

10 ~~"Facility." A structure or complex of structures to be used~~
11 ~~for commercial, sports, exhibition, hospitality, conference,~~
12 ~~retail, community, office, recreational or mixed use purposes.~~

13 ~~"Office." The Office of the Budget.~~

14 ~~"Pilot zone." An area of not more than 130 acres designated~~
15 ~~by the authority following application and approval by the~~
16 ~~Department of Community and Economic Development, the office and~~
17 ~~the department which will provide economic development and job~~
18 ~~creation within a township or borough, with a population of at~~
19 ~~least 7,000 based on the most recent Federal decennial census.~~

20 ~~"Qualified business." As follows:~~

21 ~~(1) An entity located or partially located in a zone~~
22 ~~which meets the requirements of all of the following:~~

23 ~~(i) Has conducted an active trade or business in the~~
24 ~~zone.~~

25 ~~(ii) Appears on the timely filed list under section~~
26 ~~5808(a) (relating to qualified businesses).~~

27 ~~(2) A construction contractor engaged in construction,~~
28 ~~including infrastructure or site preparation, reconstruction~~
29 ~~or renovation of a facility located in or partially in the~~
30 ~~zone.~~

1 ~~(3) The term does not include an agent, broker or~~
2 ~~representative of a business.~~

3 ~~"Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),~~
4 ~~known as the Tax Reform Code of 1971.~~

5 ~~"Zone." Any of the following:~~

6 ~~(1) A city revitalization and improvement zone.~~

7 ~~(2) A pilot zone.~~

8 ~~"Zone fund." A City Revitalization and Improvement Zone Fund~~
9 ~~established under section 5809 (relating to funds).~~

10 ~~§ 5803. Establishment of contracting authority.~~

11 ~~(a) Cities. Except as set forth in subsection (b), a city~~
12 ~~may establish or designate a contracting authority to designate~~
13 ~~and administer a zone under this chapter.~~

14 ~~(b) Distressed cities. A distressed city that is located in~~
15 ~~a home rule county may not establish a contracting authority~~
16 ~~under this chapter.~~

17 ~~(c) Counties. A home rule county of the second class A~~
18 ~~where a distressed city is located may establish a contracting~~
19 ~~authority to designate a zone under this chapter within the~~
20 ~~distressed city. The zone may include up to 40 acres in a~~
21 ~~contiguous municipality as part of the 130 acre total if the 40~~
22 ~~acres is or will be the site of a new facility that will create~~
23 ~~new jobs.~~

24 ~~(d) Other municipalities. A borough or township may~~
25 ~~establish or designate a contracting authority to designate and~~
26 ~~administer a pilot zone within the borough or township or~~
27 ~~combination of boroughs and townships.~~

28 ~~§ 5804. Contracting authority duties.~~

29 ~~A contracting authority shall:~~

30 ~~(1) Hold at least one public hearing on the plan for the~~

1 ~~designation of a city revitalization and improvement zone.~~

2 ~~(2) Prior to designation of the zone, publish the name~~
3 ~~and a map of each business and property owner to be located~~
4 ~~within the zone. The map and list of names shall be posted on~~
5 ~~the Internet website of the municipality where the zone will~~
6 ~~be located, if one exists, and shall be made available for~~
7 ~~public inspection.~~

8 ~~§ 5805. Approval.~~

9 ~~(a) Submission. A contracting authority may apply to the~~
10 ~~Department of Community and Economic Development for approval of~~
11 ~~a zone plan. The application must include all of the following:~~

12 ~~(1) A plan to establish one or more facilities which~~
13 ~~will promote economic development.~~

14 ~~(2) An economic development plan, including a plan for~~
15 ~~the repayment of all bonds.~~

16 ~~(3) Specific information relating to the facility which~~
17 ~~will be constructed, including infrastructure and site~~
18 ~~preparation reconstructed or renovated as part of the plan.~~

19 ~~(4) A designation of the specific geographic area,~~
20 ~~including parcel numbers and a map of a zone with parcel~~
21 ~~numbers, of which the zone will consist.~~

22 ~~(5) Other information as required by the Department of~~
23 ~~Community and Economic Development, the office or the~~
24 ~~department.~~

25 ~~(b) Agencies. The Department of Community and Economic~~
26 ~~Development, the office and the department must all approve an~~
27 ~~application.~~

28 ~~(c) Review. The Department of Community and Economic~~
29 ~~Development shall consider the following when determining a~~
30 ~~designation:~~

1 ~~(1) Economic impact of the zone.~~

2 ~~(2) Number of jobs that will be created.~~

3 ~~(3) Potential State and local tax revenue impact.~~

4 ~~(4) Financial fitness and ability of the applicant to~~
5 ~~repay bonds.~~

6 ~~(d) Approval schedule. The Department of Community and~~
7 ~~Economic Development shall develop a schedule for the approval~~
8 ~~of applications under this section as follows:~~

9 ~~(1) In addition to a zone approved under section 1801-~~
10 ~~C(c)(1) of the Tax Reform Code, after June 30, 2014, and~~
11 ~~before January 1, 2016, applications for four additional city-~~
12 ~~revitalization and improvement zones and up to three pilot-~~
13 ~~zones may be approved. A pilot zone may be established by~~
14 ~~approval of a joint application for a zone comprised of up to~~
15 ~~three contiguous boroughs or townships or combinations of~~
16 ~~three boroughs and townships.~~

17 ~~(2) No additional zones may be approved after December~~
18 ~~30, 2015.~~

19 ~~(e) Time. The Department of Community and Economic~~
20 ~~Development shall establish application deadlines.~~

21 ~~(f) Reapplication. If an application is not approved under~~
22 ~~this section, the applicant may revise and resubmit the~~
23 ~~application and plan for approval.~~

24 ~~(g) Limitation. No more than one zone may be approved in a~~
25 ~~county.~~

26 ~~§ 5806. Exclusions.~~

27 ~~(a) Other zone. The county, city, township or borough must~~
28 ~~apply for decertification of a keystone opportunity zone,~~
29 ~~keystone opportunity expansion zone, keystone opportunity~~
30 ~~improvement zone, keystone innovation zone, keystone special~~

1 ~~development zone, neighborhood improvement zone or strategic~~
2 ~~development area located within a zone within 60 days of~~
3 ~~approval of the zone.~~

4 ~~(b) Redevelopment assistance capital project. A zone may~~
5 ~~include a redevelopment assistance capital project approved and~~
6 ~~released under the act of February 9, 1999 (P.L.1, No.1), known~~
7 ~~as the Capital Facilities Debt Enabling Act, prior to the~~
8 ~~establishment of the zone.~~

9 ~~(c) Parcel. A parcel of property may not be divided with~~
10 ~~part of the parcel inside of the zone and part of the parcel~~
11 ~~outside of the zone.~~

12 ~~§ 5807. Functions of contracting authorities.~~

13 ~~(a) Powers. A contracting authority may do all of the~~
14 ~~following:~~

15 ~~(1) Designate a zone where a facility may be~~
16 ~~constructed, including infrastructure and site preparation,~~
17 ~~reconstructed or renovated.~~

18 ~~(2) Provide or borrow money for any of the following~~
19 ~~purposes:~~

20 ~~(i) Development or improvement within a zone.~~

21 ~~(ii) Construction, including infrastructure and site~~
22 ~~preparation, reconstruction or renovation of a facility~~
23 ~~within a zone which will result in economic development~~
24 ~~in accordance with the contracting authority's plan.~~

25 ~~(b) Restrictions.—~~

26 ~~(1) A member, officer or employee of the contracting~~
27 ~~authority may not:~~

28 ~~(i) Receive money directly or indirectly from the~~
29 ~~zone fund.~~

30 ~~(ii) Have a direct or indirect interest in a~~

1 ~~property or parcel included in the zone.~~

2 ~~(2) A member, officer, director, employee, consultant,~~
3 ~~lobbyist or independent contractor of the contracting~~
4 ~~authority may not:~~

5 ~~(i) Solicit, accept or receive from a person, firm,~~
6 ~~corporation or other business or professional~~
7 ~~organization doing business in the zone a gift, loan,~~
8 ~~gratuity, favor or service. This subparagraph shall not~~
9 ~~apply to a gift or business entertainment of less than~~
10 ~~\$200.~~

11 ~~(ii) Directly or indirectly use for personal gain~~
12 ~~information not available to the public concerning the~~
13 ~~development of a project which comes to that individual~~
14 ~~as a result of the affiliation with the contracting~~
15 ~~authority or municipality involved in the development or~~
16 ~~operation of the zone.~~

17 ~~(iii) Provide information to others not directly~~
18 ~~connected with the contracting authority or municipality~~
19 ~~in which the zone is located concerning the development~~
20 ~~of a property or project in the zone.~~

21 ~~(3) A consultant or lobbyist may not offer or provide a~~
22 ~~gift to a member, officer, director or employee of the~~
23 ~~contracting authority.~~

24 ~~(c) Disclosure. A consultant, lobbyist or independent~~
25 ~~contractor of the contracting authority or municipality creating~~
26 ~~the authority shall disclose the nature and extent of an~~
27 ~~interest in property within the zone to the authority and the~~
28 ~~municipality where the zone is located. The disclosure shall~~
29 ~~include:~~

30 ~~(1) A financial interest in the property or project in~~

1 ~~the zone.~~

2 ~~(2) An interest of a spouse, sibling, minor child or~~
3 ~~unemancipated child in a property or project in the zone.~~

4 ~~(3) An employer employee, partnership, corporate or~~
5 ~~fiduciary relationship with a person financially interested~~
6 ~~in a property or project in the zone.~~

7 ~~(4) A matter that might reasonably be expected to~~
8 ~~influence the person in the discharge of the person's~~
9 ~~official duties concerning a property or project in the zone~~
10 ~~or the operation or management of the zone.~~

11 ~~(d) Action by authority. The board of directors of the~~
12 ~~contracting authority or the governing body of a municipality in~~
13 ~~which the zone is located shall take action as necessary to~~
14 ~~avoid a conflict of interest or impropriety with regard to a~~
15 ~~property or project in the zone or the operation or management~~
16 ~~of the zone based on the disclosure of information under~~
17 ~~subsection (c). Each disclosure statement shall be made~~
18 ~~available to the members of the contracting authority of the~~
19 ~~governing body of the municipality where the zone is located and~~
20 ~~shall be made a part of the minutes of the authority or~~
21 ~~municipality at a regular or special meeting.~~

22 ~~(e) Copy. The contracting authority shall provide a copy of~~
23 ~~this section to each member, officer, director, employee,~~
24 ~~consultant, lobbyist and independent contractor of the~~
25 ~~contracting authority or governing body of the municipality in~~
26 ~~which the zone is located and to each proposed beneficial owner~~
27 ~~and occupant of property in the zone.~~

28 ~~(f) Disciplinary action. Failure to disclose or any other~~
29 ~~breach of this section shall result in disciplinary action by~~
30 ~~the contracting authority or municipality against the member,~~

~~1 officer, director, employee, consultant, lobbyist or independent
2 contractor which shall include suspension, removal or dismissal.
3 A violation shall also be grounds for disapproval of an
4 application or rescission of a commitment to include property in
5 a zone.~~

~~6 (g) Representation.~~

~~7 (1) The contracting authority and the beneficial owner
8 or occupant of a property in the zone may not be represented
9 by the same attorney or law firm in matters relating to the
10 authority's loans. The same attorney or law firm may not
11 represent both the contracting authority and beneficial owner
12 or occupant without the consent of the contracting authority.~~

~~13 (2) An attorney, lobbyist or other consultant may not
14 represent a city, authority, home rule county, township or
15 borough in a matter relating to the zone on a contingency fee
16 basis.~~

~~17 (h) Ethics. A member of the contracting authority must meet
18 the requirements of 65 Pa.C.S. Ch. 11 (relating to ethics
19 standards and financial disclosure).~~

~~20 § 5808. Qualified businesses.~~

~~21 (a) List. By June 1 following the end of the baseline year
22 and for every year thereafter, each contracting authority shall
23 file with the department a complete list of all businesses
24 located in a zone and all construction contractors engaged in
25 construction, reconstruction or renovation of a facility in the
26 zone in the prior calendar year. The list shall include for each
27 business the address, State tax identification number and parcel
28 number and a map of the zone with parcel numbers.~~

~~29 (b) Time. If the list under subsection (a) is not timely
30 provided to the department, no eligible State tax shall be~~

1 ~~certified by the department for the prior calendar year.~~

2 ~~(c) Audit. The contracting authority shall hire an~~
3 ~~independent auditing firm to perform an annual audit verifying~~
4 ~~all of the following:~~

5 ~~(1) The correct amount of the eligible local tax was~~
6 ~~submitted to the local taxing authorities.~~

7 ~~(2) The local taxing authorities transferred the correct~~
8 ~~amount of eligible local tax to the State Treasurer.~~

9 ~~(3) The money transferred to the zone fund were expended~~
10 ~~in accordance with this chapter and the approved zone plan.~~

11 ~~(4) The correct amount was requested under section~~
12 ~~5813(c) (relating to transfers).~~

13 ~~(d) Time of filing. The annual audit report under~~
14 ~~subsection (c) shall be filed with the Department of Community~~
15 ~~and Economic Development, the office and the department by June~~
16 ~~30 for the prior calendar year.~~

17 ~~§ 5809. Funds.~~

18 ~~(a) Notice. Following the designation of a zone, the~~
19 ~~contracting authority shall notify the State Treasurer.~~

20 ~~(b) Establishment. Upon receipt of notice under subsection~~
21 ~~(a), the State Treasurer shall establish for each zone a special~~
22 ~~fund for release to the contracting authority to be known as the~~
23 ~~City Revitalization and Improvement Zone Fund. Interest income~~
24 ~~derived from investment of money in the zone fund shall be~~
25 ~~credited by the State Treasury to the zone fund.~~

26 ~~§ 5810. Reports.~~

27 ~~(a) State zone report. By June 15 following the baseline~~
28 ~~year and each year thereafter, each qualified business shall~~
29 ~~file a report with the department in a form or manner required~~
30 ~~by the department which includes all of the following:~~

1 ~~(1) Amount of each eligible tax which had a due date in~~
2 ~~the prior calendar year and which was paid to the~~
3 ~~Commonwealth by the qualified business in the prior calendar~~
4 ~~year.~~

5 ~~(2) Amount of each eligible tax refund plus interest~~
6 ~~received by or credited to the qualified business in the~~
7 ~~prior calendar year.~~

8 ~~(b) Local zone report. By June 15 following the baseline~~
9 ~~year and for each year thereafter, each qualified business shall~~
10 ~~file a report with the local taxing authority which includes all~~
11 ~~of the following:~~

12 ~~(1) Amount of each eligible tax which had a due date in~~
13 ~~the prior calendar year and which was paid to the local~~
14 ~~taxing authority by the qualified business in the prior~~
15 ~~calendar year.~~

16 ~~(2) Amount of each eligible tax refund plus interest~~
17 ~~received by or credited to the qualified business in the~~
18 ~~prior calendar year.~~

19 ~~(c) Penalties.—~~

20 ~~(1) Failure to file a timely and complete report under~~
21 ~~subsection (a) or (b) may result in the imposition of a~~
22 ~~penalty of the lesser of:~~

23 ~~(i) ten percent of all eligible tax due the taxing~~
24 ~~authority in the prior calendar year; or~~

25 ~~(ii) one thousand dollars.~~

26 ~~(2) A penalty for a violation of subsection (a) shall be~~
27 ~~imposed, assessed and collected by the department under~~
28 ~~procedures set forth in Article II of the Tax Reform Code.~~
29 ~~Money collected under this paragraph shall be deposited in~~
30 ~~the General Fund.~~

1 ~~(3) A penalty for a violation of subsection (b) shall be~~
2 ~~imposed, assessed and collected by the political subdivision~~
3 ~~under procedures for imposing penalties under local tax~~
4 ~~collection laws.~~

5 ~~(4) If a local taxing authority imposes the penalty, the~~
6 ~~money shall be transferred to the State Treasurer for deposit~~
7 ~~in the zone fund.~~

8 ~~§ 5811. Calculation of baseline.~~

9 ~~(a) Baseline tax. By October 15 following the end of the~~
10 ~~baseline year and for each year thereafter, the department shall~~
11 ~~verify the State baseline tax amount which consists of the~~
12 ~~following:~~

13 ~~(1) For qualified businesses that file timely State zone~~
14 ~~reports under section 5810(a) (relating to reports), the~~
15 ~~amount of eligible State tax paid, less eligible State tax~~
16 ~~refunds.~~

17 ~~(2) For qualified businesses not included under~~
18 ~~paragraph (1), but located or partially located in the zone~~
19 ~~as determined by the department or included in the~~
20 ~~information received by the department under section 5810(a),~~
21 ~~the amount of eligible State tax paid, less eligible State~~
22 ~~tax refunds.~~

23 ~~(b) Eligible taxes paid.~~

24 ~~(1) By October 1 following the end of the baseline year~~
25 ~~and for each year thereafter, each local taxing authority~~
26 ~~collecting an eligible tax shall report the following to the~~
27 ~~department:~~

28 ~~(i) Each qualified business that filed a timely~~
29 ~~local zone report under section 5810(b).~~

30 ~~(ii) The amount of eligible tax paid for each~~

~~eligible category of local tax by each qualified business.~~

~~(iii) The amount of eligible local tax refunds by category of eligible local tax paid to each qualified business.~~

~~(2) By October 15 following the end of the baseline year and each year thereafter, the department shall verify the local baseline tax amount as follows:~~

~~(i) For qualified businesses that file reports under section 5810(b) in a timely manner, the amount of eligible local tax paid, minus eligible local tax refunds.~~

~~(ii) For qualified businesses that are not required to file a report under section 5810(b) and which are located or partially located in the zone as determined by the department or included in the information received by the department under section 5810(b), the amount of eligible local tax paid, minus eligible local tax refunds.~~

~~(c) Moves and noninclusions.~~

~~(1) This subsection applies to a qualified business that:~~

~~(i) moves into a zone from within this Commonwealth after the baseline year, in accordance with subsection (a)(2);~~

~~(ii) is in a zone but not included in the calculation of the State baseline tax under subsection (a); or~~

~~(iii) is a new business as evidenced by additional employees, new sales, new furniture and equipment, new~~

1 ~~fixtures or new products.~~

2 ~~(2) An operation opened in a zone by a qualified~~
3 ~~business already located in this Commonwealth shall be~~
4 ~~presumed not to be a new business under this subsection. The~~
5 ~~presumption must be overcome by presenting evidence of~~
6 ~~additional employees, new sales, new furniture, equipment and~~
7 ~~fixtures or new products to the Department of Community and~~
8 ~~Economic Development, the office and the department. The~~
9 ~~Department of Community and Economic Development, the office~~
10 ~~and the department shall have sole discretion to determine~~
11 ~~whether an operation is a new operation.~~

12 ~~(3) A qualified business subject to paragraph (1) shall~~
13 ~~file a State zone report under section 5810 following the end~~
14 ~~of the first full calendar year in which the qualified~~
15 ~~business conducted business in the zone and each calendar~~
16 ~~year thereafter. The amount of eligible State tax verified by~~
17 ~~the department for the qualified business for the prior~~
18 ~~calendar year shall be added to the State baseline tax amount~~
19 ~~for the zone for the prior calendar year and each year~~
20 ~~thereafter.~~

21 ~~(4) The calculation under this section may not include~~
22 ~~the eligible taxes of a qualifying business moving into the~~
23 ~~zone from outside this Commonwealth.~~

24 ~~§ 5812. Certification.~~

25 ~~(a) Amounts. By the October 15 following the baseline year~~
26 ~~and each year thereafter, the department shall do all of the~~
27 ~~following for the prior calendar year:~~

28 ~~(1) Make the following calculation for qualified~~
29 ~~businesses that file State zone reports under section 5810(a)~~
30 ~~(relating to reports) separately for each zone:~~

1 ~~(i) Subtract:~~

2 ~~(A) the amount of eligible State tax refunds~~
3 ~~received; from~~

4 ~~(B) the amount of eligible State tax paid.~~

5 ~~(ii) Subtract:~~

6 ~~(A) the State tax baseline amount for the zone;~~
7 ~~from~~

8 ~~(B) the difference under subparagraph (i).~~

9 ~~(2) Certify to the office the difference under paragraph~~
10 ~~(1)(ii).~~

11 ~~(b) Content.~~

12 ~~(1) The certification may include the following:~~

13 ~~(i) Adjustment made to timely filed zone reports by~~
14 ~~the department for eligible State tax actually paid by a~~
15 ~~qualified business in the prior calendar year.~~

16 ~~(ii) Eligible State tax refunds paid to a qualified~~
17 ~~business in the zone in a prior calendar year.~~

18 ~~(iii) State tax penalties paid by a qualified~~
19 ~~business in the prior year under section 5810(c).~~

20 ~~(2) The certification shall not include the following:~~

21 ~~(i) Tax paid by a qualified business that did not~~
22 ~~file a timely State zone report under section 5810(a).~~

23 ~~(ii) Tax paid by a qualified business whose tax was~~
24 ~~not included in the State tax baseline amount calculation~~
25 ~~under section 5811 (relating to calculation of baseline).~~

26 ~~(iii) Tax paid by a qualified business not appearing~~
27 ~~on a timely filed list under section 5808(a) (relating to~~
28 ~~qualified businesses).~~

29 ~~(iv) Interest or penalty paid to a qualified~~
30 ~~business.~~

1 ~~(c) Submission. The following shall apply:~~

2 ~~(1) An entity collecting an eligible local tax within~~
3 ~~the zone shall, by October 15 following the baseline year and~~
4 ~~each year thereafter, submit the following to the State~~
5 ~~Treasurer for transfer to the zone fund:~~

6 ~~(i) the eligible local tax collected in the prior~~
7 ~~calendar year;~~

8 ~~(ii) less the amount of eligible local tax refunds~~
9 ~~issued in the prior calendar year; and~~

10 ~~(iii) less the amount of local baseline tax for the~~
11 ~~zone.~~

12 ~~(2) The information under this subsection shall also be~~
13 ~~certified by the local taxing authority to the Department of~~
14 ~~Community and Economic Development, the office and the~~
15 ~~department.~~

16 ~~§ 5813. Transfers.~~

17 ~~(a) Office. Within ten days of receiving the certification~~
18 ~~from the department under section 5812 (relating to~~
19 ~~certification), the office shall direct the State Treasurer to~~
20 ~~transfer the amount of certified eligible State zone tax from~~
21 ~~the General Fund to each zone fund of a contracting authority as~~
22 ~~follows:~~

23 ~~(1) For the payment of debt service, including legal~~
24 ~~fees, financing fees and other costs directly related to the~~
25 ~~issuance of debt.~~

26 ~~(2) To construct or rehabilitate buildings,~~
27 ~~infrastructure or related projects.~~

28 ~~(b) State Treasurer. Within ten days of receiving direction~~
29 ~~under subsection (a), the State Treasurer shall pay into the~~
30 ~~zone fund the amount directed under subsection (a) until bonds~~

1 ~~issued to finance the construction, including related~~
2 ~~infrastructure and site preparation, reconstruction or~~
3 ~~renovation of a facility or other eligible project in the zone,~~
4 ~~are retired.~~

5 ~~(c) Notification. The following shall apply:~~

6 ~~(1) If the transfers under subsection (a) and section~~
7 ~~5812(c) are insufficient to make payments on the bonds issued~~
8 ~~under section 5814(a) (1) (relating to restrictions) for the~~
9 ~~calendar year when the transfers are made, the contracting~~
10 ~~authority shall notify the Department of Community and~~
11 ~~Economic Development, the office and the department of the~~
12 ~~amount of additional money necessary to make payments on the~~
13 ~~bonds.~~

14 ~~(2) The notification under paragraph (1) must be~~
15 ~~accompanied by a detailed account of the contracting~~
16 ~~authority's expenditures and the calculation which resulted~~
17 ~~in the request for additional money. The Department of~~
18 ~~Community and Economic Development, the office or the~~
19 ~~department may request additional information from the~~
20 ~~contracting authority and shall jointly verify the proper~~
21 ~~amount of money necessary to make the payments on the bonds.~~

22 ~~(3) Notwithstanding 53 Pa.C.S. § 5607(e) (relating to~~
23 ~~purposes and powers), within 90 days of the date of the~~
24 ~~notification request, the office shall direct the State~~
25 ~~Treasurer to establish a restricted account within the~~
26 ~~General Fund. The office shall direct the State Treasurer to~~
27 ~~transfer the amount verified under paragraph (2) from the~~
28 ~~General Fund to the restricted account for the use of the~~
29 ~~contracting authority to make payments on the bonds issued~~
30 ~~under section 5814(a) (1).~~

1 ~~(4) Money transferred under paragraph (3):~~

2 ~~(i) shall be limited to 50% of the State tax~~
3 ~~baseline amount for the calendar year prior to the date~~
4 ~~the amount is verified under paragraph (2), not to exceed~~
5 ~~\$10,000,000; and~~

6 ~~(ii) must occur in the first seven calendar years~~
7 ~~following the baseline year.~~

8 ~~(4.1) Under extraordinary circumstances, the contracting~~
9 ~~authority may request money in excess of the limitations in~~
10 ~~paragraph (4)(i). The Department of Community and Economic~~
11 ~~Development, the office and the department shall determine~~
12 ~~whether the circumstances merit additional money and the~~
13 ~~amount to be transferred. The money shall be transferred~~
14 ~~under the procedure under this section.~~

15 ~~(5) Money transferred under paragraph (3), (4) or (4.1)~~
16 ~~shall be repaid to the General Fund by the contracting~~
17 ~~authority. If money transferred under paragraph (3), (4) or~~
18 ~~(4.1) is not repaid to the General Fund by the contracting~~
19 ~~authority by the date of the final payment on the bonds~~
20 ~~originally issued under section 5814 or former section 1813-~~
21 ~~C(a)(1) of the Tax Reform Code, the city, county, township or~~
22 ~~borough which established the contracting authority shall pay~~
23 ~~the money not repaid to the General Fund plus an additional~~
24 ~~penalty of 10% of the amount outstanding on the date of the~~
25 ~~final payment on the bonds originally issued under section~~
26 ~~5814 or the former section 1813 C(a)(1).~~

27 ~~(6) Notwithstanding any other law, if money due under~~
28 ~~paragraph (5), including penalties, are not repaid, the city,~~
29 ~~county, township or borough which established the contracting~~
30 ~~authority may not receive any money from the Commonwealth for~~

~~any purpose until all money owed is fully repaid or the amount of money withheld by the Commonwealth equals the amount of money required to be repaid.~~

~~§ 5814. Restrictions.~~

~~(a) Utilization. If the use was approved in an application filed under section 5805 (relating to approval), money transferred under section 5813 (relating to transfers) may only be utilized for the following:~~

~~(1) Payment of debt service on bonds issued for the construction, including related infrastructure and site preparation, reconstruction or renovation of a facility in a zone.~~

~~(2) Construction, including related infrastructure and site preparation, reconstruction or renovation of all or a part of a facility.~~

~~(3) Replenishment of amounts in debt service reserve funds established to pay debt service on bonds.~~

~~(4) Employment of an independent auditing firm to perform the duties under section 5808(c) (relating to qualified businesses).~~

~~(5) Improvement or development of all or part of a zone.~~

~~(6) Improvement projects, including fixtures, furniture and equipment for a facility owned by a public authority.~~

~~(b) Prohibition. Money transferred under section 5813 (relating to transfers) may not be utilized for maintenance or repair of a facility.~~

~~(c) Excess money.~~

~~(1) If the amount of money transferred to the zone fund under sections 5812(c) (relating to certification) and 5813 in any one calendar year exceeds the money utilized under~~

1 ~~this section in that calendar year, the contracting authority~~
2 ~~shall submit by January 15 following the end of the calendar~~
3 ~~year the excess money to the State Treasurer for deposit into~~
4 ~~the General Fund.~~

5 ~~(2) At the time of submission to the State Treasurer,~~
6 ~~the contracting authority shall submit to the State~~
7 ~~Treasurer, the office and the department a detailed~~
8 ~~accounting of the calculation resulting in the excess money.~~

9 ~~(3) The excess money shall be credited to the~~
10 ~~contracting authority and applied to the amount required to~~
11 ~~be repaid under section 5813(c) (5) until there is full~~
12 ~~repayment.~~

13 ~~(d) Matching money.~~

14 ~~(1) The amount of money transferred from the zone fund~~
15 ~~utilized for the construction, including related site~~
16 ~~preparation and infrastructure, reconstruction or renovation~~
17 ~~of facilities, shall be matched by private money at a ratio~~
18 ~~of five zone fund dollars to one private dollar. Up to 15% of~~
19 ~~the private fund dollars may be comprised of Federal money of~~
20 ~~the county, city, township or borough.~~

21 ~~(2) By June 30 following the baseline year and for each~~
22 ~~year thereafter, the contracting authority shall file an~~
23 ~~annual report with the Department of Community and Economic~~
24 ~~Development, the office and the department that contains a~~
25 ~~detailed account of the zone fund money expenditures and the~~
26 ~~private money expenditures and a calculation of the ratio in~~
27 ~~paragraph (1) for the prior calendar year. The agencies shall~~
28 ~~determine whether sufficient private money was utilized.~~

29 ~~(3) If it is determined that insufficient private money~~
30 ~~was utilized under paragraph (1), the amount of zone fund~~

~~money utilized under paragraph (1) in the prior calendar year shall be deducted from the next transfer of the zone fund.~~

~~§ 5815. Transfer of property.~~

~~(a) Property. Portions of a zone where a facility has not been constructed, reconstructed or renovated using money under this chapter may be transferred out of the zone. Additional acreage, not to exceed the acreage in a city, borough or township simultaneously transferred out of the zone, may be added to the zone.~~

~~(b) Approval. A transfer under subsection (a) must be approved by the Department of Community and Economic Development in consultation with the office and the department.~~

~~(c) Removal. Money in the zone fund may not be expended on property removed from the zone after the effective date of the zone.~~

~~§ 5816. Duration.~~

~~A zone shall be in effect for a period equal to the length of time for the repayment of debt incurred for the zone, including bonds issued. Bonds shall be paid, and all zones shall cease no later than 30 years following the initial issuance of the bonds or upon maturity of each bond secured by money from the zone fund, whichever is later.~~

~~§ 5817. Commonwealth pledges.~~

~~(a) Pledge. If and to the extent a contracting authority pledges amounts required to be transferred to its zone fund under section 5813 (relating to transfers) for payment of bonds issued by the contracting authority, until all bonds secured by the pledge of the contracting authority, together with interest on the bonds, are fully paid or provided for, the Commonwealth pledges to and agrees with any person, firm, corporation or~~

1 ~~government agency, in this Commonwealth or elsewhere, and~~
2 ~~pledges to and agrees with any Federal agency subscribing to or~~
3 ~~acquiring the bonds of the contracting authority that the~~
4 ~~Commonwealth itself will not nor will it authorize any~~
5 ~~government entity to do any of the following:~~

6 ~~(1) Abolish or reduce the size of the zone.~~

7 ~~(2) Amend or repeal section 5811 (relating to~~
8 ~~calculation of baseline) or 5812 (relating to certification).~~

9 ~~(3) Limit or alter the rights vested in the contracting~~
10 ~~authority in a manner inconsistent with the obligations of~~
11 ~~the contracting authority with respect to the bonds issued by~~
12 ~~the contracting authority.~~

13 ~~(4) Impair revenue to be paid under this chapter to the~~
14 ~~contracting authority necessary to pay debt service on bonds.~~

15 ~~(b) Limitation. Nothing in this section shall limit the~~
16 ~~authority of the Commonwealth or a political subdivision~~
17 ~~government entity to change the rate, base or subject of a~~
18 ~~specific tax or to repeal or enact any tax.~~

19 ~~§ 5818. Review.~~

20 ~~(a) Department of Community and Economic Development. By~~
21 ~~December 31, 2017, the Department of Community and Economic~~
22 ~~Development shall, in cooperation with the office and the~~
23 ~~department, complete a review and analysis of all active zones.~~
24 ~~The review shall include an analysis of:~~

25 ~~(1) The number of new jobs created.~~

26 ~~(2) The cost to and impact of the zones on the~~
27 ~~Commonwealth and the revenue of the Commonwealth.~~

28 ~~(3) Economic development to the city, borough or~~
29 ~~township in a zone and to the Commonwealth.~~

30 ~~(4) Any negative impact on adjacent municipalities or~~

1 ~~the Commonwealth.~~

2 ~~(b) Other review. By December 31, 2017, the Independent~~
3 ~~Fiscal Office shall complete a review and analysis of all zones.~~
4 ~~The review shall include an analysis of the factors under~~
5 ~~subsection (a) (1), (2), (3) and (4).~~

6 ~~§ 5819. Confidentiality.~~

7 ~~(a) Sole use. A zone report or certification under this~~
8 ~~chapter shall only be used by a contracting authority to verify~~
9 ~~the amount of the State tax baseline amount calculated under~~
10 ~~section 5811 (relating to calculation of baseline) and State tax~~
11 ~~certification under section 5812 (relating to certification).~~

12 ~~(b) Prohibition. Use of a zone report other than as set~~
13 ~~forth in subsection (a) is prohibited and shall be subject to~~
14 ~~the law applicable to the confidentiality of tax records.~~

15 ~~§ 5820. Penalties.~~

16 ~~The department may deduct money from the next transfer to the~~
17 ~~zone fund if it determines that the contracting authority has~~
18 ~~violated the act in an amount not to exceed \$5,000 per~~
19 ~~violation.~~

20 ~~§ 5821. Guidelines.~~

21 ~~By August 31, 2014, the Department of Community and Economic~~
22 ~~Development, the office and the department shall develop and~~
23 ~~publish guidelines necessary to implement this chapter.~~

24 Section 3. The heading of section 8721 of Title 53 is
25 amended to read:

26 ~~§ 8721. Hotel room rental in certain counties of the second~~
27 ~~class and second class A.~~

28 ~~* * *~~

29 Section 4. Title 53 is amended by adding sections to read:

30 ~~§ 8722. Hotel room rental tax in certain third class counties.~~

1 ~~(a) General rule. A county may, by ordinance, impose a tax~~
2 ~~which shall be known as a hotel room rental tax on the~~
3 ~~consideration received by each operator of a hotel within the~~
4 ~~county from each transaction of renting a room or rooms to~~
5 ~~accommodate transients. The tax shall be collected by the~~
6 ~~operator from the patron of the room and paid over to the county~~
7 ~~where the hotel is located as provided under this section.~~

8 ~~(b) Rate. The rate of the tax imposed under this section~~
9 ~~shall not exceed 2%, in addition to the tax imposed under~~
10 ~~section 1770.2 of the act of August 9, 1955 (P.L.323, No.130),~~
11 ~~known as The County Code.~~

12 ~~(c) Collection. The treasurer of each county electing to~~
13 ~~impose the tax authorized under this section shall collect the~~
14 ~~tax and deposit the revenues received from the tax in a special~~
15 ~~fund established for that purpose. Subsequent to the deduction~~
16 ~~for administrative costs established in subsection (f), the~~
17 ~~county shall distribute to the recognized tourist promotion~~
18 ~~agency all revenues received from the tax not later than 60 days~~
19 ~~after receipt of the tax revenues. The revenues from the special~~
20 ~~fund shall be used by the recognized tourist promotion agency~~
21 ~~for any or all of the following purposes:~~

22 ~~(1) Convention promotion.~~

23 ~~(2) Marketing the area served by the agency as a leisure~~
24 ~~travel destination.~~

25 ~~(3) Marketing the area served by the agency as a~~
26 ~~business travel destination.~~

27 ~~(4) Using all appropriate marketing tools to accomplish~~
28 ~~these purposes, including, but not limited to, advertising,~~
29 ~~publicity, publications, direct marketing, direct sales and~~
30 ~~participation in industry trade shows.~~

1 ~~(5) Projects or programs that are directly and~~
2 ~~substantially related to tourism within the county, augment~~
3 ~~and do not unduly compete with private sector tourism efforts~~
4 ~~and improve and expand the county as a destination market.~~

5 ~~(6) Any other tourism marketing or promotion program~~
6 ~~deemed necessary by the recognized tourist promotion agency.~~

7 ~~(d) Tax year. Each tax year for any tax imposed under this~~
8 ~~section shall run concurrently with the county's fiscal year.~~

9 ~~(e) Report. An audited report on the income and~~
10 ~~expenditures incurred by a recognized tourist promotion agency~~
11 ~~receiving any revenues from the tax authorized under this~~
12 ~~section shall be submitted annually by the recognized tourist~~
13 ~~promotion agency to the county commissioners.~~

14 ~~(f) Administrative fee. For the purposes of defraying costs~~
15 ~~associated with the collection of the tax imposed under this~~
16 ~~section and otherwise performing its obligations under this~~
17 ~~section, a county is hereby authorized to deduct and retain an~~
18 ~~administrative fee from the taxes collected hereunder. Such~~
19 ~~administrative fee shall be established by the county but shall~~
20 ~~not exceed in any tax year the lesser of:~~

21 ~~(1) two percent of all taxes collected under this~~
22 ~~section; or~~

23 ~~(2) fifty thousand dollars, which amount shall be~~
24 ~~adjusted annually, beginning one year after the date of~~
25 ~~enactment, by the the percentage growth in the Consumer Price~~
26 ~~Index for All Urban Consumers as determined by the United~~
27 ~~States Department of Labor.~~

28 ~~(g) Definitions. As used in this section, the following~~
29 ~~words and phrases shall have the meanings given to them in this~~
30 ~~subsection unless the context clearly indicates otherwise:~~

1 "Consideration." Receipts, fees, charges, rentals, leases,
2 cash, credits, property of any kind or nature or other payment
3 received by operators in exchange for or in consideration of the
4 use or occupancy by a transient of a room or rooms in a hotel
5 for a temporary period.

6 "County." Any county of the third class having a population
7 under the 2010 Federal decennial census in excess of 430,000
8 residents but less than 440,000 residents.

9 "Hotel." A hotel, motel, inn, guesthouse or other structure
10 which holds itself out by any means, including advertising,
11 license, registration with an innkeepers' group, convention
12 listing association, travel publication or similar association
13 or with a government agency, as being available to provide
14 overnight lodging for consideration to persons seeking temporary
15 accommodation; any place which advertises to the public at large
16 or any segment thereof that it will provide beds, sanitary
17 facilities or other space for a temporary period to members of
18 the public at large; or any place recognized as a hostelry. The
19 term does not include any portion of a facility that is devoted
20 to persons who have an established permanent residence or a
21 college or university student residence hall or any private
22 campground or any cabins, public campgrounds or other facilities
23 located on State land.

24 "Operator." Any individual, partnership, nonprofit or
25 profit making association or corporation or other person or
26 group of persons who maintain, operate, manage, own, have
27 custody of or otherwise possess the right to rent or lease
28 overnight accommodations in a building to the public for
29 consideration.

30 "Patron." Any person who pays the consideration for the

1 ~~occupancy of a room or rooms in a hotel.~~

2 ~~"Permanent resident." Any person who has occupied or has the~~
3 ~~right to occupy a room or rooms in a hotel as a patron or~~
4 ~~otherwise for a period exceeding 30 consecutive days.~~

5 ~~"Recognized tourist promotion agency." The nonprofit~~
6 ~~corporation, organization, association or agency which is~~
7 ~~engaged in planning and promoting programs designed to stimulate~~
8 ~~and increase the volume of tourist, visitor and vacation~~
9 ~~business within counties served by the agency as that term is~~
10 ~~provided under the act of July 4, 2008 (P.L.621, No.50), known~~
11 ~~as the Tourism Promotion Act.~~

12 ~~"Room." A space in a building set aside for use and~~
13 ~~occupancy by patrons, or otherwise, for consideration, having at~~
14 ~~least one bed or other sleeping accommodations provided.~~

15 ~~"Temporary resident." Any person who has occupied or has the~~
16 ~~right to occupy a room or rooms in a hotel as a patron or~~
17 ~~otherwise for a period of time not exceeding 30 consecutive~~
18 ~~days.~~

19 ~~"Transaction." The activity involving the obtaining by a~~
20 ~~transient or patron of the use or occupancy of a hotel room from~~
21 ~~which consideration emanates to the operator under an expressed~~
22 ~~or implied contract.~~

23 ~~"Transient." Any person who obtains an accommodation in any~~
24 ~~hotel for the person by means of registering at the facility for~~
25 ~~the temporary occupancy of a room for the personal use of that~~
26 ~~person by paying to the operator of the facility a fee in~~
27 ~~consideration therefor.~~

28 ~~§ 8723. Hotel room rental tax in certain fourth class counties.~~

29 ~~(a) Authorization. A county may, by ordinance, impose a tax~~
30 ~~which shall be known as a hotel room rental tax on the~~

1 ~~consideration received by each operator of a hotel within the~~
2 ~~county from each transaction of renting a room or rooms to~~
3 ~~transients. The tax shall be collected by the operator from the~~
4 ~~patron of the room or rooms and paid over to the county as~~
5 ~~provided under this section.~~

6 ~~(b) Rate. The rate of the tax imposed under this section~~
7 ~~shall not exceed 5%, in addition to the tax imposed under~~
8 ~~section 1770.6 of the act of August 9, 1955 (P.L.323, No.130),~~
9 ~~known as The County Code.~~

10 ~~(c) Records. The provisions of subsection (d)~~
11 ~~notwithstanding, county commissioners may by ordinance impose~~
12 ~~requirements for keeping of records, the filing of tax returns~~
13 ~~and the time and manner of collection and payment of tax. The~~
14 ~~county commissioners may also impose by ordinance penalties and~~
15 ~~interest for failure to comply with recordkeeping, filing,~~
16 ~~collection and payment requirements.~~

17 ~~(d) Audit. Each operator of a hotel within a county that~~
18 ~~imposes the tax authorized under this section shall submit to an~~
19 ~~audit of hotel tax revenue. The audit shall be conducted by the~~
20 ~~county commissioners and shall consist, at a minimum, of~~
21 ~~determining the total amount of consideration received by the~~
22 ~~operator from transactions of renting a room or rooms to~~
23 ~~transients during the period being audited and the total amount~~
24 ~~of hotel tax revenue collected. The county commissioners or~~
25 ~~their duly authorized agents shall conduct at least one audit~~
26 ~~annually and shall bear the costs of the audit.~~

27 ~~(e) (Reserved).~~

28 ~~(f) Collection, deposit and disposition. The treasurer of~~
29 ~~each county that imposes the tax authorized under this section~~
30 ~~shall collect the tax and deposit the revenues received from the~~

~~tax in a special fund established for that purpose. Subject to the deduction of the administrative fee authorized by subsection (i), the disposition of the revenues from the special fund shall be as follows:~~

~~(1) Seventy five percent of all revenues received per annum shall be used by the county's recognized TPA for the promotion, advertising and marketing of tourism and special events and for administrative costs.~~

~~(2) Twenty five percent of all revenues received per annum shall be distributed as follows:~~

~~(i) Fifty percent shall be used by the county commissioners for the purposes of economic development, historic preservation and the arts. The county commissioners shall use 10% of the funds received under this subparagraph for grants to municipalities that each have at least 20,000 residents.~~

~~(ii) Fifty percent shall be used by the county commissioners for grants to municipalities that:~~

~~(A) have a municipal police department employing at least two full time police officers assigned to law enforcement duties who work a minimum of 200 days per year; or~~

~~(B) are a member of a regional police department that provides full time police services to the municipality pursuant to an agreement or contract.~~

~~(iii) Municipalities receiving grants under subparagraph (ii) must meet or have met the eligibility requirements under subparagraph (ii) (A) or (B) for a minimum of two years prior to receiving the grant.~~

~~(g) Grants. Grants under subsection (f) (2) (ii) shall be~~

~~1 distributed to municipalities in proportion to the number of
2 hotel rooms within the municipality as a percentage of the total
3 number of hotel rooms in municipalities with police departments
4 under subsection (f) (2) (ii) as compiled by the recognized TPA
5 and certified by the county commissioners. Grants shall be used
6 for police and law enforcement purposes. Any portion of a grant
7 not used for police and law enforcement purposes shall be
8 returned to the county for the purposes of subsection (f) (2) (i).~~

~~9 (h) Tax year. The tax year for a tax imposed under this
10 section shall run concurrently with the calendar year.~~

~~11 (i) Audited report. An audited report on the income and
12 expenditures incurred by a TPA receiving any revenues from the
13 tax authorized under this section shall be submitted annually by
14 the TPA to the county commissioners.~~

~~15 (j) Administrative fee. The county may deduct and retain an
16 administrative fee from the taxes collected under this section.
17 The administrative fee established by the county may not exceed
18 in any tax year the lesser of:~~

~~19 (1) four and one half percent of all taxes collected
20 under this section; or~~

~~21 (2) ninety five thousand dollars, which amount shall be
22 adjusted biannually, beginning two years after the effective
23 date of this subsection, by the percentage growth in the
24 Consumer Price Index for All Urban Consumers.~~

~~25 (k) Use of fee. Revenue collected from the fee imposed
26 under subsection (j) shall be used for the following purposes:~~

~~27 (1) Defraying the costs associated with the collection
28 and administration of the tax.~~

~~29 (2) Defraying the costs of the audit required under
30 subsection (d).~~

1 ~~(1) Definitions. As used in this section, the following~~
2 ~~words and phrases shall have the meanings given to them in this~~
3 ~~subsection unless the context clearly indicates otherwise:~~

4 ~~"Consideration." Receipts, fees, charges, rentals, leases,~~
5 ~~cash, credits, property of any kind or nature, or other payment~~
6 ~~received by operators in exchange for or in consideration of the~~
7 ~~use or occupancy by a transient of a room or rooms in a hotel~~
8 ~~for any temporary period.~~

9 ~~"County." A county of the fourth class having a population~~
10 ~~under the 2010 Federal decennial census in excess of 149,000~~
11 ~~residents but less than 152,000 residents.~~

12 ~~"Hotel." A hotel, motel, inn, guest house or other structure~~
13 ~~which holds itself out by any means, including advertising,~~
14 ~~license, registration with an innkeepers' group, convention~~
15 ~~listing association, travel publication or similar association~~
16 ~~or with a government agency, as being available to provide~~
17 ~~overnight lodging or use of facility space for consideration to~~
18 ~~persons seeking temporary accommodation; any place which~~
19 ~~advertises to the public at large or any segment thereof that it~~
20 ~~will provide beds, sanitary facilities or other space for a~~
21 ~~temporary period to members of the public at large; or any place~~
22 ~~recognized as a hostelry. The term does not include any portion~~
23 ~~of a facility that is devoted to persons who have an established~~
24 ~~permanent residence or a college or university student residence~~
25 ~~hall.~~

26 ~~"Occupancy." The use or possession or the right to the use~~
27 ~~or possession by any person other than a permanent resident of~~
28 ~~any room in a hotel for any purpose or the right to the use or~~
29 ~~possession of the furnishings or to the services accompanying~~
30 ~~the use and possession of the room.~~

1 ~~"Operator." An individual, partnership, nonprofit or profit~~
2 ~~making association or corporation or other person or group of~~
3 ~~persons who maintain, operate, manage, own, have custody of or~~
4 ~~otherwise possess the right to rent or lease overnight~~
5 ~~accommodations in a hotel to the public for consideration.~~

6 ~~"Patron." A person who pays the consideration for the~~
7 ~~occupancy of a room or rooms in a hotel.~~

8 ~~"Permanent resident." A person who has occupied or has the~~
9 ~~right to occupancy of a room or rooms in a hotel as a patron or~~
10 ~~otherwise for a period exceeding thirty consecutive days.~~

11 ~~"Room." A space in a hotel set aside for use and occupancy~~
12 ~~by patrons, or otherwise, for consideration, having at least one~~
13 ~~bed or other sleeping accommodation in a room or group of rooms.~~

14 ~~"Tourist Promotion Agency (TPA)." An organization, agency or~~
15 ~~corporation designated to be such by the board of commissioners~~
16 ~~as of January 1, 2000, of the county in which the tax is~~
17 ~~imposed. The TPA shall be duly established, designated and~~
18 ~~recognized as the county's TPA in accordance with and pursuant~~
19 ~~to the act of July 4, 2008 (P.L.621, No.50), known as the~~
20 ~~Tourism Promotion Act.~~

21 ~~"Transaction." The activity involving the obtaining by a~~
22 ~~transient or patron of the use or occupancy of a hotel room from~~
23 ~~which consideration is payable to the operator under an express~~
24 ~~or an implied contract.~~

25 ~~"Transient." An individual who obtains accommodation in a~~
26 ~~hotel by means of registering at the facility for the temporary~~
27 ~~occupancy of a room for the personal use of the individual by~~
28 ~~paying a fee to the operator.~~

29 ~~§ 8724. Hotel room rental tax in second class township.~~

30 ~~(a) Tax. Notwithstanding any other provision of law to the~~

1 ~~contrary, the governing body of a township may impose an excise~~
2 ~~tax on the consideration received by each operator of a hotel~~
3 ~~from each transaction of renting a room to accommodate a~~
4 ~~transient. If levied, the tax shall be collected by the operator~~
5 ~~from the patron of the room and paid over to the township and~~
6 ~~shall be known as the second class township hotel room rental~~
7 ~~tax.~~

8 ~~(b) Rate. The rate of the tax imposed under this section~~
9 ~~shall not exceed 3%.~~

10 ~~(c) Imposition. A township electing to impose the tax shall~~
11 ~~by ordinance or resolution provide for the creation or~~
12 ~~designation of a political subdivision, public employee, tax~~
13 ~~bureau or public or private agency to collect the tax and~~
14 ~~deposit the revenues received from the tax in a special fund.~~
15 ~~The revenues from the special fund shall be used by the township~~
16 ~~for the provision of police and emergency services.~~

17 ~~(d) Year. Each tax year when a tax is imposed under this~~
18 ~~section shall run concurrently with the township's fiscal year.~~

19 ~~(e) Limitations. Section 301.1(f)(3) of the act of December~~
20 ~~31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling~~
21 ~~Act, shall not apply to the second class township hotel room~~
22 ~~rental tax imposed under this section.~~

23 ~~(f) Definitions. As used in this section, the following~~
24 ~~words and phrases shall have the meanings given to them in this~~
25 ~~subsection unless the context clearly indicates otherwise:~~

26 ~~"Bed and breakfast" or "homestead." A public accommodation~~
27 ~~consisting of a private residence which contains ten or fewer~~
28 ~~bedrooms used for providing overnight accommodations to the~~
29 ~~public and in which breakfast is the only meal served and the~~
30 ~~charge for breakfast is included in the charge for the room.~~

1 ~~"Consideration." Receipts, fees, charges, rentals, leases,~~
2 ~~cash, credits, property of any kind or nature or other payment~~
3 ~~received by an operator in exchange for or in consideration of~~
4 ~~the use or occupancy by a transient of a room in a hotel for a~~
5 ~~temporary period.~~

6 ~~"Hotel." Includes any of the following:~~

7 ~~(1) hotel, motel, bed and breakfast, homestead, inn,~~
8 ~~guest house or other structure which holds itself out by any~~
9 ~~means, including advertising, license, registration with an~~
10 ~~innkeepers' group, convention listing association, travel~~
11 ~~publication or similar association or with a government~~
12 ~~agency, as being available to provide overnight lodging or~~
13 ~~use of facility space for consideration to persons seeking~~
14 ~~temporary accommodation;~~

15 ~~(2) any place which advertises to the public at large or~~
16 ~~any segment of the public that it will provide beds, sanitary~~
17 ~~facilities or other space for a temporary period to members~~
18 ~~of the public at large; or~~

19 ~~(3) any place recognized as a hostelry.~~

20 ~~The term does not include any portion of a facility that is~~
21 ~~devoted to persons who have an established permanent residence~~
22 ~~or a college or university student residence hall or any private~~
23 ~~campground or any cabins, public campgrounds or other facilities~~
24 ~~located on State land.~~

25 ~~"Occupancy." The use or possession or the right to the use~~
26 ~~or possession by any person other than a permanent resident of~~
27 ~~any room in a hotel for any purpose or the right to the use or~~
28 ~~possession of the furnishings or to the services accompanying~~
29 ~~the use and possession of the room.~~

30 ~~"Operator." An individual, partnership, nonprofit or profit~~

1 ~~making association or corporation or other person or group of~~
2 ~~persons who maintain, operate, manage, own, have custody of or~~
3 ~~otherwise possess the right to rent or lease overnight~~
4 ~~accommodations in a hotel to the public for consideration.~~

5 ~~"Patron." A person who pays the consideration for the~~
6 ~~occupancy of a room in a hotel.~~

7 ~~"Permanent resident." A person who has occupied or has the~~
8 ~~right to occupancy of a room in a hotel as a patron or otherwise~~
9 ~~for a period of more than 30 consecutive days.~~

10 ~~"Room." A space in a hotel set aside for use and occupancy~~
11 ~~by patrons, or otherwise, for consideration, having at least one~~
12 ~~bed or other sleeping accommodation in a room or group of rooms.~~

13 ~~"Township." A township of the second class with a population~~
14 ~~of more than 60,000 and less than 61,000 based on the 2010~~
15 ~~Federal decennial census and which is located within a county of~~
16 ~~the second class A.~~

17 ~~"Transaction." The activity involving the obtaining by a~~
18 ~~transient or patron of the use or occupancy of a hotel room from~~
19 ~~which consideration is payable to the operator under an express~~
20 ~~or an implied contract.~~

21 ~~"Transient." An individual who obtains accommodation in a~~
22 ~~hotel by means of registering at the facility for the temporary~~
23 ~~occupancy of a room for the personal use of the individual by~~
24 ~~paying a fee to the operator.~~

25 ~~§ 8725. Hotel room rental tax in additional fourth class~~
26 ~~counties.~~

27 ~~(a) General rule. A county may, by ordinance, impose a tax~~
28 ~~which shall be known as a hotel room rental tax on the~~
29 ~~consideration received by each operator of a hotel within the~~
30 ~~county from each transaction of renting a room or rooms to~~

1 ~~accommodate transients. The tax shall be collected by the~~
2 ~~operator from the patron of the room and paid over to the county~~
3 ~~where the hotel is located as provided under this section.~~

4 ~~(b) Rate. The rate of the tax imposed under this section~~
5 ~~shall not exceed 2%, in addition to the tax imposed under~~
6 ~~section 1770.2 of the act of August 9, 1955 (P.L.323, No.130),~~
7 ~~known as The County Code.~~

8 ~~(c) Collection. The treasurer of each county electing to~~
9 ~~impose the tax authorized under this section shall collect the~~
10 ~~tax and deposit the revenues received from the tax in a special~~
11 ~~fund established for that purpose. Subsequent to the deduction~~
12 ~~for administrative costs established in subsection (e), the~~
13 ~~county shall distribute to the recognized tourist promotion~~
14 ~~agency all revenues received from the tax not later than 60 days~~
15 ~~after receipt of the tax revenues. The revenues from the special~~
16 ~~fund shall be used by the recognized tourist promotion agency~~
17 ~~for any or all of the following purposes:~~

18 ~~(1) Convention promotion.~~

19 ~~(2) Marketing the area served by the agency as a leisure~~
20 ~~travel destination.~~

21 ~~(3) Marketing the area served by the agency as a~~
22 ~~business travel destination.~~

23 ~~(4) Using all appropriate marketing tools to accomplish~~
24 ~~these purposes, including, but not limited to, advertising,~~
25 ~~publicity, publications, direct marketing, direct sales and~~
26 ~~participation in industry trade shows.~~

27 ~~(5) Projects or programs that are directly and~~
28 ~~substantially related to tourism within the county, augment~~
29 ~~and do not unduly compete with private sector tourism efforts~~
30 ~~and improve and expand the county as a destination market.~~

1 ~~(d) Tax year. Each tax year for any tax imposed under this~~
2 ~~section shall run concurrently with the county's fiscal year.~~

3 ~~(e) Administrative fee. For the purposes of defraying costs~~
4 ~~associated with the collection of the tax imposed under this~~
5 ~~section and otherwise performing its obligations under this~~
6 ~~section, a county is hereby authorized to deduct and retain an~~
7 ~~administrative fee from the taxes collected hereunder. Such~~
8 ~~administrative fee shall be established by the county but shall~~
9 ~~not exceed in any tax year the lesser of:~~

10 ~~(1) two percent of all taxes collected under this~~
11 ~~section; or~~

12 ~~(2) fifty thousand dollars, which amount shall be~~
13 ~~adjusted annually, beginning one year after the date of~~
14 ~~enactment, by the the percentage growth in the Consumer Price~~
15 ~~Index for All Urban Consumers as determined by the United~~
16 ~~States Department of Labor.~~

17 ~~(f) Definitions. As used in this section, the following~~
18 ~~words and phrases shall have the meanings given to them in this~~
19 ~~subsection unless the context clearly indicates otherwise:~~

20 ~~"Consideration." Receipts, fees, charges, rentals, leases,~~
21 ~~cash, credits, property of any kind or nature or other payment~~
22 ~~received by operators in exchange for or in consideration of the~~
23 ~~use or occupancy by a transient of a room or rooms in a hotel~~
24 ~~for a temporary period.~~

25 ~~"County." Any county of the fourth class having a population~~
26 ~~under the 2010 Federal decennial census in excess of 148,000~~
27 ~~residents but less than 149,000 residents.~~

28 ~~"Hotel." A hotel, motel, inn, guesthouse or other structure~~
29 ~~which holds itself out by any means, including advertising,~~
30 ~~license, registration with an innkeepers' group, convention~~

1 ~~listing association, travel publication or similar association~~
2 ~~or with a government agency, as being available to provide~~
3 ~~overnight lodging for consideration to persons seeking temporary~~
4 ~~accommodation; any place which advertises to the public at large~~
5 ~~or any segment thereof that it will provide beds, sanitary~~
6 ~~facilities or other space for a temporary period to members of~~
7 ~~the public at large; or any place recognized as a hostelry. The~~
8 ~~term does not include any portion of a facility that is devoted~~
9 ~~to persons who have an established permanent residence or a~~
10 ~~college or university student residence hall or any private~~
11 ~~campground or any cabins, public campgrounds or other facilities~~
12 ~~located on State land.~~

13 ~~"Operator." Any individual, partnership, nonprofit or~~
14 ~~profit making association or corporation or other person or~~
15 ~~group of persons who maintains, operates, manages, owns, has~~
16 ~~custody of or otherwise possesses the right to rent or leases~~
17 ~~overnight accommodation in a building to the public for~~
18 ~~consideration.~~

19 ~~"Patron." Any person who pays the consideration for the~~
20 ~~occupancy of a room or rooms in a hotel.~~

21 ~~"Permanent resident." Any person who has occupied or has the~~
22 ~~right to occupy a room or rooms in a hotel as a patron otherwise~~
23 ~~for a period exceeding 30 consecutive days.~~

24 ~~"Room." A space in a building set aside for use and~~
25 ~~occupancy by patrons, or otherwise, for consideration, having at~~
26 ~~least one bed or other sleeping accommodations provided.~~

27 ~~"Temporary resident." Any person who has occupied or has the~~
28 ~~right to occupy a room or rooms in a hotel as a patron otherwise~~
29 ~~for a period of time not exceeding 30 consecutive days.~~

30 ~~"Transaction." The activity involving the obtaining by a~~

1 ~~transient or patron of the use or occupancy of a hotel room from~~
2 ~~which consideration emanates to the operator under an expressed~~
3 ~~or implied contract.~~

4 ~~"Transient." Any person who obtains an accommodation in any~~
5 ~~hotel for the person by means of registering at the facility for~~
6 ~~the temporary occupancy of a room for the personal use of that~~
7 ~~person by paying to the operator of the facility a fee in~~
8 ~~consideration therefor.~~

9 ~~§ 8725.1. Hotel room rental tax in other fourth class counties.~~

10 ~~(a) General rule. A county may, by ordinance, impose a tax~~
11 ~~which shall be known as a hotel room rental tax on the~~
12 ~~consideration received by each operator of a hotel within the~~
13 ~~county from each transaction of renting a room or rooms to~~
14 ~~accommodate transients. The tax shall be collected by the~~
15 ~~operator from the patron of the room and paid over to the county~~
16 ~~where the hotel is located as provided under this section.~~

17 ~~(b) Rate. The rate of the tax imposed under this section~~
18 ~~shall not exceed 2%, in addition to the tax imposed under~~
19 ~~section 1770.2 of the act of August 9, 1955 (P.L.323, No.130),~~
20 ~~known as The County Code.~~

21 ~~(c) Collection. The treasurer of each county electing to~~
22 ~~impose the tax authorized under this section shall collect the~~
23 ~~tax and deposit the revenues received from the tax in a special~~
24 ~~fund established for that purpose. Subsequent to the deduction~~
25 ~~for administrative costs established in subsection (e), the~~
26 ~~county shall distribute to the recognized tourist promotion~~
27 ~~agency all revenues received from the tax not later than 60 days~~
28 ~~after receipt of the tax revenues.~~

29 ~~(d) Tax year. Each tax year for any tax imposed under this~~
30 ~~section shall run concurrently with the county's fiscal year.~~

1 ~~(e) Administrative fee. For the purposes of defraying costs~~
2 ~~associated with the collection of the tax imposed under this~~
3 ~~section and otherwise performing its obligations under this~~
4 ~~section, a county is hereby authorized to deduct and retain an~~
5 ~~administrative fee from the taxes collected hereunder. Such~~
6 ~~administrative fee shall be established by the county but shall~~
7 ~~not exceed in any tax year the lesser of:~~

8 ~~(1) two percent of all taxes collected under this~~
9 ~~section; or~~

10 ~~(2) fifty thousand dollars, which amount shall be~~
11 ~~adjusted annually, beginning one year after the date of~~
12 ~~enactment, by the the percentage growth in the Consumer Price~~
13 ~~Index for All Urban Consumers as determined by the United~~
14 ~~States Department of Labor.~~

15 ~~(f) Definitions. As used in this section, the following~~
16 ~~words and phrases shall have the meanings given to them in this~~
17 ~~subsection unless the context clearly indicates otherwise:~~

18 ~~"Consideration." Receipts, fees, charges, rentals, leases,~~
19 ~~cash, credits, property of any kind or nature or other payment~~
20 ~~received by operators in exchange for or in consideration of the~~
21 ~~use or occupancy by a transient of a room or rooms in a hotel~~
22 ~~for a temporary period.~~

23 ~~"County." Any county of the fourth class having a population~~
24 ~~under the 2010 Federal decennial census in excess of 180,000~~
25 ~~residents but less than 190,000 residents.~~

26 ~~"Hotel." A hotel, motel, inn, guesthouse or other structure~~
27 ~~which holds itself out by any means, including advertising,~~
28 ~~license, registration with an innkeepers' group, convention~~
29 ~~listing association, travel publication or similar association~~
30 ~~or with a government agency, as being available to provide~~

1 ~~overnight lodging for consideration to persons seeking temporary~~
2 ~~accommodation; any place which advertises to the public at large~~
3 ~~or any segment thereof that it will provide beds, sanitary~~
4 ~~facilities or other space for a temporary period to members of~~
5 ~~the public at large; or any place recognized as a hostelry. The~~
6 ~~term does not include any portion of a facility that is devoted~~
7 ~~to persons who have an established permanent residence or a~~
8 ~~college or university student residence hall or any private~~
9 ~~campground or any cabins, public campgrounds or other facilities~~
10 ~~located on State land.~~

11 ~~"Operator." Any individual, partnership, nonprofit or~~
12 ~~profit making association or corporation or other person or~~
13 ~~group of persons who maintains, operates, manages, owns, has~~
14 ~~custody of or otherwise possesses the right to rent or leases~~
15 ~~overnight accommodation in a building to the public for~~
16 ~~consideration.~~

17 ~~"Patron." Any person who pays the consideration for the~~
18 ~~occupancy of a room or rooms in a hotel.~~

19 ~~"Permanent resident." Any person who has occupied or has the~~
20 ~~right to occupy a room or rooms in a hotel as a patron otherwise~~
21 ~~for a period exceeding 30 consecutive days.~~

22 ~~"Room." A space in a building set aside for use and~~
23 ~~occupancy by patrons, or otherwise, for consideration, having at~~
24 ~~least one bed or other sleeping accommodations provided.~~

25 ~~"Temporary resident." Any person who has occupied or has the~~
26 ~~right to occupy a room or rooms in a hotel as a patron otherwise~~
27 ~~for a period of time not exceeding 30 consecutive days.~~

28 ~~"Transaction." The activity involving the obtaining by a~~
29 ~~transient or patron of the use or occupancy of a hotel room from~~
30 ~~which consideration emanates to the operator under an expressed~~

1 ~~or implied contract.~~

2 ~~"Transient." Any person who obtains an accommodation in any~~
3 ~~hotel for the person by means of registering at the facility for~~
4 ~~the temporary occupancy of a room for the personal use of that~~
5 ~~person by paying to the operator of the facility a fee in~~
6 ~~consideration therefor.~~

7 ~~§ 8726. Hotel room rental tax in certain other fourth class~~
8 ~~counties.~~

9 ~~(a) General rule. A county may, by ordinance, impose a tax~~
10 ~~which shall be known as a hotel room rental tax on the~~
11 ~~consideration received by each operator of a hotel within the~~
12 ~~county from each transaction of renting a room or rooms to~~
13 ~~accommodate transients. The tax shall be collected by the~~
14 ~~operator from the patron of the room and paid over to the county~~
15 ~~where the hotel is located as provided under this section.~~

16 ~~(b) Rate. The rate of the tax imposed under this section~~
17 ~~shall not exceed 2%, in addition to the tax imposed under~~
18 ~~section 1770.6 of the act of August 9, 1955 (P.L.323, No.130),~~
19 ~~known as The County Code.~~

20 ~~(c) Collection. The treasurer of each county electing to~~
21 ~~impose the tax authorized under this section shall collect the~~
22 ~~tax and deposit the revenues received from the tax in a special~~
23 ~~fund established for that purpose. Subsequent to the deduction~~
24 ~~for administrative costs established in subsection (f), the~~
25 ~~county shall distribute to a recognized tourist promotion agency~~
26 ~~for the county all revenues received from the tax not later than~~
27 ~~60 days after receipt of the tax revenues.~~

28 ~~(d) Tax year. Each tax year for any tax imposed under this~~
29 ~~section shall run concurrently with the county's fiscal year.~~

30 ~~(e) (Reserved).~~

1 ~~(f) Administrative fee. For the purposes of defraying costs~~
2 ~~associated with the collection of the tax imposed under this~~
3 ~~section and otherwise performing its obligations under this~~
4 ~~section, a county is hereby authorized to deduct and retain an~~
5 ~~administrative fee from the taxes collected hereunder. Such~~
6 ~~administrative fee shall be established by the county but shall~~
7 ~~not exceed in any tax year the lesser of:~~

8 ~~(1) two percent of all taxes collected under this~~
9 ~~section; or~~

10 ~~(2) fifty thousand dollars, which amount shall be~~
11 ~~adjusted annually, beginning one year after the date of~~
12 ~~enactment, by the the percentage growth in the Consumer Price~~
13 ~~Index for All Urban Consumers as determined by the United~~
14 ~~States Department of Labor.~~

15 ~~(g) Definitions. As used in this section, the following~~
16 ~~words and phrases shall have the meanings given to them in this~~
17 ~~subsection unless the context clearly indicates otherwise:~~

18 ~~"Consideration." Receipts, fees, charges, rentals, leases,~~
19 ~~cash, credits, property of any kind or nature or other payment~~
20 ~~received by operators in exchange for or in consideration of the~~
21 ~~use or occupancy by a transient of a room or rooms in a hotel~~
22 ~~for a temporary period.~~

23 ~~"County." Any county of the fourth class having a population~~
24 ~~during the 2010 Federal decennial census in excess of 205,000~~
25 ~~residents but less than 210,000 residents.~~

26 ~~"Hotel." A hotel, motel, inn, guesthouse or other structure~~
27 ~~which holds itself out by any means, including advertising,~~
28 ~~license, registration with an innkeepers' group, convention~~
29 ~~listing association, travel publication or similar association~~
30 ~~or with a government agency, as being available to provide~~

1 ~~overnight lodging for consideration to persons seeking temporary~~
2 ~~accommodation; any place which advertises to the public at large~~
3 ~~or any segment thereof that it will provide beds, sanitary~~
4 ~~facilities or other space for a temporary period to members of~~
5 ~~the public at large; or any place recognized as a hostelry. The~~
6 ~~term does not include a college or university student residence~~
7 ~~hall or any private campground or any cabins, public campgrounds~~
8 ~~or other facilities located on State land.~~

9 ~~"Operator." Any individual, partnership, nonprofit or~~
10 ~~profit making association or corporation or other person or~~
11 ~~group of persons who maintain, operate, manage, own, have~~
12 ~~custody of or otherwise possess the right to rent or lease~~
13 ~~overnight accommodations in a building to the public for~~
14 ~~consideration.~~

15 ~~"Patron." Any person who pays the consideration for the~~
16 ~~occupancy of a room or rooms in a hotel.~~

17 ~~"Room." A space in a building set aside for use and~~
18 ~~occupancy by patrons, or otherwise, for consideration, having at~~
19 ~~least one bed or other sleeping accommodations provided.~~

20 ~~"Transaction." The activity involving the obtaining by a~~
21 ~~transient or patron of the use or occupancy of a hotel room from~~
22 ~~which consideration emanates to the operator under an expressed~~
23 ~~or implied contract.~~

24 ~~"Transient." Any person who obtains an accommodation in any~~
25 ~~hotel for the person by means of registering at the facility for~~
26 ~~the temporary occupancy of a room for the personal use of that~~
27 ~~person by paying to the operator of the facility a fee in~~
28 ~~consideration therefor.~~

29 SECTION 3. TITLE 53 IS AMENDED BY ADDING SECTIONS TO READ: <--
30 § ~~8727~~ 8722. ~~Local option cigarette tax in school districts of~~ <--

1 the first class.

2 (a) Authorization.--The following shall apply:

3 (1) A school district may, if authorized by ordinance of
4 the governing body of a city of the first class adopted prior
5 to or after the effective date of this section, impose and
6 assess an excise tax upon the sale or possession of
7 cigarettes within the school district at a rate of 10¢ per
8 cigarette. Only one sale shall be taxable and used in
9 computing the amount of tax due, whether the sale is of
10 individual cigarettes, packages, cartons or cases.

11 (2) The governing body of the city of the first class
12 and school district may amend, respectively, the ordinance
13 authorizing the imposition of the tax and the resolution
14 imposing the tax authorized by this section to reflect the
15 provisions of this section in the fiscal year in which this
16 section takes effect.

17 (b) Exception.--The tax authorized under subsection (a) may
18 not be levied upon the possession or sale of any cigarette that
19 is exempt from, or which is otherwise not subject to, levy under
20 Article XII of the Tax Reform Code and the regulations
21 promulgated under that article.

22 (c) Collection.--

23 (1) The tax authorized under subsection (a) shall be
24 collected and remitted to the department in the same manner
25 as the tax imposed under Article XII of the Tax Reform Code.
26 The regulations promulgated under section 1291 of the Tax
27 Reform Code shall be applicable to the tax authorized under
28 subsection (a) insofar as the regulations are consistent with
29 this section.

30 (2) Unless the department promulgates regulations to the

1 contrary under subsection (d), any stamp affixed under
2 section 1215 of the Tax Reform Code shall also reflect
3 payment of any tax authorized under this section.

4 (3) The provisions of section 1216 of the Tax Reform
5 Code shall not apply to any tax authorized under this
6 section.

7 (d) Administration.--The department shall administer and
8 enforce the provisions of this section and may promulgate and
9 enforce any rules and regulations not inconsistent with the
10 provisions of this section.

11 (e) Reimbursement of costs.--From the tax collected under
12 this section, the department may retain a sum of the costs of
13 collection and shall, on a monthly basis, notify in writing the
14 school district imposing the tax of the sum retained and the
15 costs of collection under this section. Annually, the department
16 shall estimate its cost of collection under this section for the
17 next succeeding fiscal year and shall provide the estimate to
18 the school district.

19 (f) Certified copy of resolution to department.--A school
20 district that adopts a resolution:

21 (1) To impose the tax authorized under this section or
22 to change the rate of the tax shall provide a certified copy
23 of the resolution to the department not later than 20 days
24 prior to the effective date of the tax or change to the tax.

25 (2) To repeal the tax authorized under this section
26 shall provide a certified copy of the resolution to the
27 department not later than 30 days prior to the effective date
28 of the repeal.

29 (g) Effective date.--The effective date of any tax
30 authorized under this section or change to the tax shall be no

1 earlier than 30 days after the adoption of the resolution or
2 ordinance.

3 (h) Local Cigarette Tax Fund.--

4 (1) The Local Cigarette Tax Fund is established in the
5 State Treasury and the State Treasurer shall be custodian of
6 the fund. The fund shall be subject to the provisions of law
7 applicable to funds listed in section 302 of the act of April
8 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

9 (2) The tax imposed under subsection (a) shall be
10 received by the department and paid to the State Treasurer
11 and, along with interest and penalties, less any collection
12 costs allowed under this section and any refunds and credits
13 paid, shall be credited to the fund not less frequently than
14 every two weeks. During any period prior to the credit of
15 moneys to the fund, interest earned on moneys received by the
16 department and paid to the State Treasurer under this section
17 shall be deposited into the fund.

18 (3) Moneys credited to the fund shall be property of the
19 school district and shall be distributed as provided in this
20 section. The money in the fund, including, but not limited
21 to, money credited to the fund under this section, prior year
22 encumbrances and the interest earned thereon, shall not lapse
23 or be transferred to any other fund, but shall remain in the
24 fund and must be used exclusively as provided in this
25 section.

26 (4) Pending their disbursement to the school district,
27 moneys received on behalf of or deposited into the fund shall
28 be invested or reinvested as are other funds in the custody
29 of the State Treasurer in the manner provided by law. The
30 earnings received from the investment or deposit of the funds

1 shall be credited to the fund.

2 (i) Disbursement to school district.--On or before the 10th
3 day of every month, the State Treasurer shall disburse to the
4 school district imposing the tax under this section the total
5 amount of moneys which are, as of the last day of the previous
6 month, contained in the fund.

7 (j) Prohibition.--Money from a tax imposed under this
8 section may not be used for the issuance or repayment of bonds.

9 (k) Expiration.--This section shall expire June 30, 2019.

10 (l) Definitions.--As used in this section, the following
11 words and phrases shall have the meanings given to them in this
12 subsection unless the context clearly indicates otherwise:

13 "Cigarette." As defined in section 1201 of the Tax Reform
14 Code.

15 "Department." The Department of Revenue of the Commonwealth.

16 "Fund." The Local Cigarette Tax Fund established under this
17 section.

18 "Sale." As defined in section 1201 of the Tax Reform Code.

19 "School district." A school district of the first class
20 coterminous with a city of the first class.

21 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),
22 known as the Tax Reform Code of 1971.

23 § ~~8728~~ 8723. Local sales tax revenues in cities of the first <--
24 class.

25 Notwithstanding the provisions of section 696 of the act of
26 March 10, 1949 (P.L.30, No.14), known as the Public School Code
27 of 1949, an increase in grants to a school district of the first
28 class by a city of the first class based on debt service to be
29 paid as authorized under section 201-B(f)(1) of the act of March
30 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,

1 shall not require a comparable increase in grants by the city in
2 subsequent years.

3 ~~Section 4. Repeals are as follows:~~ <--

4 ~~(1) The General Assembly declares that the repeal under~~
5 ~~paragraph (2) is necessary to effectuate the addition of 53-~~
6 ~~Pa.C.S. Ch. 58.~~

7 ~~(2) Article XVIII C of the act of March 4, 1971 (P.L.6,~~
8 ~~No.2), known as the Tax Reform Code of 1971, is repealed.~~

9 ~~(3) Section 1770.6(f) of the act of August 9, 1955-~~
10 ~~(P.L.323, No.130), known as The County Code, is repealed to-~~
11 ~~the extent that it is inconsistent with the addition of 53-~~
12 ~~Pa.C.S. § 8724.~~

13 ~~Section 5. The addition of 53 Pa.C.S. Ch. 58 is a~~
14 ~~continuation of Article XVIII C of act of March 4, 1971 (P.L.6,~~
15 ~~No.2), known as the Tax Reform Code of 1971. The following~~
16 ~~apply:~~

17 ~~(1) Except as otherwise provided in 53 Pa.C.S. Ch. 58,~~
18 ~~all activities initiated under Article XVIII C of the Tax~~
19 ~~Reform Code of 1971 shall continue and remain in full force~~
20 ~~and effect and may be completed under 53 Pa.C.S. Ch. 58.~~
21 ~~Orders, regulations, rules and decisions which were made~~
22 ~~under Article XVIII C of the Tax Reform Code of 1971 and~~
23 ~~which are in effect on the effective date of section 2(2) of~~
24 ~~this act shall remain in full force and effect until revoked,~~
25 ~~vacated or modified under 53 Pa.C.S. Ch. 58. Contracts,~~
26 ~~obligations and collective bargaining agreements entered into~~
27 ~~under Article XVIII C of the Tax Reform Code of 1971 are not~~
28 ~~affected nor impaired by the repeal of Article XVIII C of the~~
29 ~~Tax Reform Code of 1971.~~

30 ~~(2) Except as set forth in paragraph (3), any difference~~

1 ~~in language between 53 Pa.C.S. Ch. 58 and Article XVIII C of~~
2 ~~the Tax Reform Code of 1971 is intended only to conform to~~
3 ~~the style of the Pennsylvania Consolidated Statutes and is~~
4 ~~not intended to change or affect the legislative intent,~~
5 ~~judicial construction or administration and implementation of~~
6 ~~Article XVIII C of the Tax Reform Code of 1971.~~

7 ~~(3) Paragraph (2) does not apply to the addition of the~~
8 ~~following provisions of Title 53:~~

9 ~~(i) The addition of the definitions of "contracting~~
10 ~~authority" and "distressed city" in section 5802.~~

11 ~~(ii) Section 5803(a), (b), (c) and (d).~~

12 ~~(iii) Section 5804.~~

13 ~~(iv) Section 5805(c), (d) and (g).~~

14 ~~(v) Section 5806.~~

15 ~~(vi) Section 5807(b), (c), (d), (e), (f), (g) and~~

16 ~~(h).~~

17 ~~(vii) Section 5808(d).~~

18 ~~(viii) Section 5810.~~

19 ~~(ix) Section 5811(b) and (c).~~

20 ~~(x) Section 5813.~~

21 ~~(xi) Section 5814(a) and (d).~~

22 ~~(xii) Section 5815(a) and (c).~~

23 ~~(xiii) Section 5816.~~

24 ~~(xiv) Section 5818.~~

25 ~~(xv) Section 5820.~~

26 ~~(xvi) Section 5821.~~

27 ~~Section 6. The provisions of this act are severable. If any~~
28 ~~provision of this act or its application to any person or~~
29 ~~circumstance is held invalid, the invalidity shall not affect~~
30 ~~other provisions or applications of this act which can be given~~

1 ~~effect without the invalid provision or application.~~

2 Section 7 4. This act shall take effect as follows: <--

3 (1) The following provisions shall take effect
4 immediately:

5 ~~(i) The addition of 53 Pa.C.S. Ch. 58.~~ <--

6 ~~(ii) (I) The addition of 53 Pa.C.S. §§ 8722, AND <--
7 8723, 8724, 8725, 8725.1, 8726, 8727 and 8728.~~ <--

8 ~~(iii) Section 4 of this act.~~ <--

9 ~~(iv) Section 5 of this act.~~

10 ~~(v) Section 6 of this act.~~

11 ~~(vi) (II) This section.~~ <--

12 (2) The addition of 53 Pa.C.S. § 303 shall take effect
13 in 45 days.

14 (3) The remainder of this act shall take effect in 60
15 days.