

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 385 Session of  
2015

INTRODUCED BY PILEGGI, RAFFERTY, BREWSTER, COSTA, GREENLEAF,  
SCHWANK, SMITH, VULAKOVICH, WARD, YUDICHAK AND BROWNE,  
FEBRUARY 3, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,  
MARCH 16, 2016

AN ACT

1 Amending the act of December 8, 2004 (P.L.1801, No.238),  
2 entitled "An act empowering municipalities, counties and  
3 public transportation agencies to work cooperatively to  
4 establish Transit Revitalization Investment Districts (TRID),  
5 including partnerships with the National Railroad Passenger  
6 Corporation requiring planning studies, comprehensive plan  
7 and zoning amendments and use of existing statutes and  
8 techniques to achieve transit-oriented development,  
9 redevelopment, community revitalization and enhanced  
10 community character through TRID creation; establishing value  
11 capture areas as a means to reserve and use future,  
12 designated incremental tax revenues for public transportation  
13 capital improvements, related site development improvements  
14 and maintenance; promoting the involvement of and  
15 partnerships with the private sector in TRID development and  
16 implementation; encouraging public involvement during TRID  
17 planning and implementation; and providing for duties of the  
18 Department of Community and Economic Development," in general  
19 provisions, further providing for definitions; in TRID  
20 creation and location, further providing for criteria for  
21 proposed TRID, for TRID designation, for implementing  
22 authority, for TRID planning study factors, for roles and  
23 responsibilities of public transportation agencies and  
24 municipalities and for amendments to TRID planning study; in  
25 land development powers of public transportation agencies,  
26 further providing for development or redevelopment of  
27 property AND PROVIDING FOR ADDITIONAL POWERS OF MANAGEMENT <--  
28 ENTITIES AND FOR PROHIBITION ON MANAGEMENT ENTITIES; in value  
29 capture approaches, further providing for creation of value

1 capture area and for dedication of tax revenues; providing <--  
2 for ~~capture of TRID tax revenue~~ GRANT OF TRID REVENUE AND  
3 ESTABLISHING THE TRID FUND; and, in community involvement,  
4 further providing for public meeting to explain TRID and  
5 alternative implementation approaches.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Section 103 of the act of December 8, 2004  
9 (P.L.1801, No.238), known as the Transit Revitalization  
10 Investment District Act, is amended by adding a ~~definition~~ <--  
11 DEFINITIONS to read: <--

12 Section 103. Definitions.

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

16 \* \* \*

17 "BOND." THE TERM INCLUDES BOND, NOTE, INSTRUMENT, REFUNDING <--  
18 BOND, REFUNDING NOTE OR OTHER EVIDENCE OF INDEBTEDNESS OR  
19 OBLIGATION.

20 \* \* \*

21 "ELIGIBLE PROJECT." DEVELOPMENT OR IMPROVEMENT WITHIN A  
22 TRID, INCLUDING CONSTRUCTION, INFRASTRUCTURE AND SITE  
23 PREPARATION, RECONSTRUCTION OR RENOVATION OF A FACILITY WITHIN A  
24 TRID WHICH WILL RESULT IN ECONOMIC DEVELOPMENT OR TRANSIT-  
25 ORIENTED DEVELOPMENT IN ACCORDANCE WITH THE TRID AND THE TRID  
26 PLANNING STUDY.

27 "Management entity." Any of the following:

28 (1) A participating municipality ~~or transit~~, COUNTY OR <--  
29 PUBLIC TRANSPORTATION agency.

30 (2) A redevelopment authority, municipal authority,  
31 neighborhood improvement district MANAGEMENT ASSOCIATION, <--  
32 business improvement district or a similar governmental or

1 nonprofit organization authorized to act in a manner  
2 consistent with the TRID planning study and with a services  
3 area compatible with the TRID.

4 \* \* \*

<--

5 "PROJECT COSTS." ANY EXPENDITURES MADE OR ESTIMATED TO BE <--  
6 MADE, OR MONETARY OBLIGATIONS INCURRED OR ESTIMATED TO BE  
7 INCURRED, WHICH ARE LISTED IN A TRID PLAN OR AGREEMENT AS COSTS  
8 OF IMPROVEMENTS THAT CREATE ECONOMIC DEVELOPMENT OR  
9 REVITALIZATION WITHIN A TRID DISTRICT, PLUS ANY COSTS INCIDENTAL  
10 THERE TO. PROJECT COSTS INCLUDE, BUT ARE NOT LIMITED TO, THE  
11 CAPITAL, FINANCING, REAL PROPERTY ASSEMBLY, PROFESSIONAL  
12 SERVICE, ADMINISTRATIVE, RELOCATION, ORGANIZATIONAL AND OTHER  
13 NECESSARY OR CONVENIENT COSTS DELINEATED IN THE ACT OF JULY 11,  
14 1990 (P.L.465, NO.113), KNOWN AS THE TAX INCREMENT FINANCING  
15 ACT.

16 \* \* \*

17 "REDEVELOPMENT AUTHORITY." AN AUTHORITY CREATED PURSUANT TO  
18 THE ACT OF MAY 24, 1945 (P.L.991, NO.385), KNOWN AS THE URBAN  
19 REDEVELOPMENT LAW.

20 \* \* \*

<--

21 Section 2. Sections 301, 302, 303, 304, 305, 306, ~~502, 701~~ <--  
22 ~~and 702~~ AND 502 of the act are amended to read: <--

23 Section 301. Criteria for proposed TRID.

24 Local municipalities, counties, transportation authorities  
25 and public transportation agencies proposing to define and  
26 develop a TRID shall use the following criteria and process:

27 (1) Eligible TRID locations may include any geographic  
28 area of a municipality or municipalities, including vacant,  
29 underutilized or potentially redevelopable land, within an  
30 area [generally formed by a minimum radius of one-eighth mile

1 and] not to exceed a radius of [one-half] THREE-QUARTERS mile <--  
2 from a railroad, transit, light rail, busway or similar  
3 transit stop or station, measured from the centerline of the  
4 track or roadway traversing the station or stop location.

5 TRID designation may also include new station locations  
6 proposed in conjunction with a planned public transportation  
7 service, as defined on an adopted county, regional or public  
8 transportation agency plan.

9 [(2) The specific boundaries of a TRID may be expanded  
10 or reduced based on local circumstances such as local  
11 economic development and planning goals, community character,  
12 property boundary and scale variations but only when:

13 (i) authorized by the governing body or bodies of  
14 the affected jurisdiction or jurisdictions in cooperation  
15 with the pertinent public transportation agency; and

16 (ii) the rationale for the boundaries is supported  
17 by the findings of the required TRID planning study.]

18 (3) A local municipality or municipalities shall  
19 [further] define and support the rationale for the TRID  
20 designation through a TRID planning study as well as  
21 appropriate amendments to the municipal comprehensive plan,  
22 zoning ordinance and other pertinent regulations.

23 (4) A local municipality may designate the county  
24 planning agency to undertake or assist the TRID planning  
25 study on its behalf.

26 (5) An existing neighborhood improvement district, tax  
27 increment district or urban renewal area may be used as the  
28 basis for the boundaries of a TRID when justified by the TRID  
29 planning study required in section 304.

30 Section 302. TRID designation.

1 (a) Designation.--Local municipalities and counties working  
2 with public transportation agencies, transportation authorities,  
3 AMTRAK, passenger rail transportation providers or any  
4 combination thereof may designate TRIDs in advance of  
5 implementation of a new public transit service or in conjunction  
6 with an existing public transportation service and in advance of  
7 or in conjunction with actual development proposals. A TRID and  
8 its boundaries shall be established by ordinance. IN A CITY OF <--  
9 THE THIRD CLASS SITUATE WITHIN A COUNTY OF THE SECOND CLASS A,  
10 THE DESIGNATION AND BOUNDARIES OF THE TRID SHALL BE MADE  
11 EXCLUSIVELY BY THE GOVERNING BODY OF THE COUNTY.

12 (b) Agreement.--To create a TRID, in addition to the  
13 planning study described in section 301(3), the municipality or  
14 municipalities shall enter into an agreement with the transit  
15 agency that approves the TRID planning study under section  
16 301(3) and defines the activities [and], commitments and  
17 administrative and management roles of each party to the TRID,  
18 including any specific actions or financial participation to  
19 help implement the TRID. The agreement shall include the  
20 development agreement specified in section 504 as well as a  
21 description of the TRID management entity described in section  
22 [502(4)] 303.

23 Section 303. [Implementing authority] Management entity.

24 †A [participating county, local municipality, transportation <--  
25 authority and public transportation agency may designate on  
26 their behalf the county redevelopment authority to assume  
27 responsibility for TRID implementation.] The participating local <--  
28 municipality or county and the transit, WHICH MADE THE <--  
29 DESIGNATION UNDER SECTION 302, AND THE PUBLIC TRANSPORTATION  
30 agency shall designate the management entity in the TRID

1 agreement to administer, manage and facilitate the  
2 implementation of the TRID planning study.

3 Section 304. TRID planning study factors.

4 The scope and scale of transit improvements and community  
5 facility improvements, as well as any needed support facilities,  
6 shall be assessed in the TRID planning study. The TRID planning  
7 study shall also serve as the basis for a comprehensive plan  
8 amendment to establish the TRID if the municipality has a  
9 currently adopted comprehensive plan. The following shall apply:

10 (1) The planning study shall consider the need for  
11 capital improvements to transit-related facilities and  
12 adjacent public infrastructure, including roads, sidewalks  
13 and water, sewer and storm drainage service and public  
14 facilities, as well as opportunities for private sector real  
15 estate development and ways in which such facilities,  
16 services and development can be financed.

17 (2) Municipalities and counties undertaking a TRID  
18 planning study shall receive priority consideration for  
19 planning [and implementation] grants and technical assistance  
20 from the department[, working in partnership with the  
21 pertinent county planning agency or agencies and other State  
22 agencies with grant or loan programs that may be applicable  
23 to TRID planning or implementations]. Any funding  
24 [appropriated to the Department of Community and Economic  
25 Development for the purpose of carrying out this act is  
26 intended to assist counties and local governments on a 25%  
27 matching basis to undertake TRID planning studies and related  
28 implementation activities. Individual grants for a TRID  
29 planning study or implementation project shall not exceed  
30 \$75,000. The department in consultation with the Department

1 of Transportation shall administer the supplemental TRID  
2 program through the existing land use planning and technical  
3 assistance program, with application guidance as necessary.]  
4 utilized PROVIDED by the department to assist with TRID <--  
5 planning studies, except where otherwise limited by law,  
6 shall require a match of 25%.

7 (3) Commonwealth agencies are directed to provide State  
8 resources, programs and new capital investments that will  
9 assist local governments, transportation authorities and  
10 [transit] PUBLIC TRANSPORTATION agencies to implement TRIDS. <--

11 Section 305. Roles and responsibilities of public  
12 transportation agencies and municipalities.

13 As guidelines to implement the findings and recommendation of  
14 the TRID planning study, the following roles and  
15 responsibilities are defined:

16 (1) [The] IDENTIFYING THE scope and scale of needed or <--  
17 proposed transit capital improvements within the TRID area  
18 are the responsibility of the partnering public  
19 transportation agency. The cost, financing, phasing and  
20 schedule of all transit-related improvements shall be  
21 included in the public transportation agency's adopted  
22 capital program.

23 (2) [The] IDENTIFYING THE scope and scale of needed or <--  
24 proposed support facilities, highway accessways and community  
25 or neighborhood facility improvements, for example, sidewalks  
26 and recreation facilities, are the responsibility of the  
27 partnering county and local jurisdiction or jurisdictions and  
28 may include support from the private sector.

29 †(3) [Notwithstanding these stated roles and <--  
30 responsibilities, the parties to a TRID shall be responsible

1 for defining the administrative and management roles and  
2 responsibilities that will be most appropriate to achieve  
3 implementation of the TRID in their community.]

4 ADMINISTRATION, MANAGEMENT AND FACILITATION OF THE TRID <--  
5 IMPLEMENTATION ARE PRIMARILY THE RESPONSIBILITY OF THE  
6 MANAGEMENT ENTITY, INCLUDING, BUT WITHOUT LIMITATION, ISSUING  
7 BONDS AND NOTES, SECURING GRANT FUNDS AND OTHERWISE RAISING, <--  
8 EXPENDING AND ADMINISTERING FUNDS FOR TRID PROJECTS.

9 Section 306. Amendments [to TRID planning study].

10 [Proposed real estate development or redevelopment may  
11 trigger additional needs for transit improvements and community  
12 facility improvements or support facilities and shall be  
13 accommodated through pertinent amendments of the TRID planning  
14 study and county, multimunicipal or local municipal  
15 comprehensive plan.] If warranted by a changing economic or  
16 community condition, planning goal, real estate development,  
17 redevelopment opportunity or a demonstrated need for transit or  
18 community facility improvement, a TRID or TRID planning study  
19 may be amended. The following shall apply:

20 (1) The boundaries of a TRID may be expanded or reduced  
21 by an amendment to the ordinance establishing the TRID and  
22 shall be accompanied by justification for the boundary change  
23 supported by findings in the original or amended TRID  
24 planning study.

25 (2) A TRID planning study may be amended by approval of  
26 the municipality, municipalities or counties and the transit  
27 agency that are parties to the TRID designation under section  
28 302.

29 Section 502. Development or redevelopment of property.

30 Development or redevelopment of property within a TRID shall

1 generally occur in the following manner:

2 (1) The public transportation agency, MUNICIPALITY OR <--  
3 MANAGEMENT ENTITY may acquire the property, improve it for  
4 future development, such as site clearance, utility work,  
5 environmental remediation and similar improvements, and work  
6 cooperatively with the pertinent local jurisdiction or  
7 jurisdictions and implementing agencies to offer it for sale  
8 to the private sector for use or uses consistent with the  
9 adopted TRID plan.

10 (2) Alternatively, the public transportation agency, <--  
11 MUNICIPALITY OR MANAGEMENT ENTITY may advertise the presence  
12 of available development sites within a TRID, including a map  
13 of potentially developable or redevelopable properties, and  
14 invite interested developers to submit proposals in  
15 cooperation with the pertinent local jurisdiction or  
16 jurisdictions and implementing agencies.

17 (3) In the case of either paragraph (1) or (2), the  
18 public transportation agency may not be the primary real  
19 estate developer, and joint development activities are  
20 confined to the construction of support and access  
21 facilities: that is, vehicular access, parking, pedestrian  
22 ways, building pads, foundation columns, signage and similar  
23 items.

24 †(4) [The partnering TRID local municipality or <--  
25 municipalities shall designate a management entity for the  
26 TRID which may be a municipal authority or joint municipal  
27 authority, in accordance with the requirements of 53 Pa.C.S.  
28 Ch. 56 (relating to municipal authorities) to manage and  
29 facilitate TRID implementation. The local municipality or  
30 municipalities involved in the TRID shall retain policy and

1 oversight responsibilities for all budgetary and programmatic  
2 actions of the designated TRID management entity.] SIMILAR <--  
3 TO, BUT NOT LIMITED BY, THE ACT OF JULY 11, 1990 (P.L.465,  
4 NO.113), KNOWN AS THE TAX INCREMENT FINANCING ACT, A PUBLIC  
5 TRANSPORTATION AGENCY, MUNICIPALITY, MANAGEMENT ENTITY OR A  
6 DESIGNATED AGENT MAY ISSUE BONDS ~~OR NOTES~~, DEPOSIT MONEY INTO <--  
7 THE TRID ~~FUND OF ANY TRID DISTRICT~~ ACCOUNT, ENTER INTO ANY <--  
8 CONTRACTS OR AGREEMENTS, INCLUDING AGREEMENTS WITH  
9 BONDHOLDERS, AS DETERMINED TO BE NECESSARY OR CONVENIENT TO  
10 IMPLEMENT THE PROVISIONS AND EFFECTUATE THE PURPOSES OF TRID  
11 PROJECT PLANS. THE CONTRACTS OR AGREEMENTS MAY INCLUDE  
12 CONDITIONS, RESTRICTIONS OR COVENANTS WHICH EITHER RUN WITH  
13 THE LAND OR OTHERWISE REGULATE THE USE OF THE LAND.

14 (5) Creative partnerships with AMTRAK, passenger rail  
15 transportation providers, transportation authorities and the  
16 private sector to accomplish TRID purposes that use the  
17 benefits of AMTRAK's and passenger rail service providers'  
18 existing real estate development powers are both desirable  
19 and encouraged.

20 [(6) Neighborhood improvement districts, business  
21 improvement districts or similar entities may be designated  
22 to manage the TRID implementation activities.]

23 SECTION 3. THE ACT IS AMENDED BY ADDING SECTIONS TO READ: <--  
24 SECTION 505. ADDITIONAL POWERS OF MANAGEMENT ENTITIES.

25 IN ADDITION TO OTHER POWERS AND FUNCTIONS OF MANAGEMENT  
26 ENTITIES GRANTED UNDER THIS ACT, A MANAGEMENT ENTITY SHALL HAVE  
27 THE POWER TO PROVIDE OR BORROW MONEY FOR PURPOSES OF EXECUTING A  
28 TRID, A TRID PLANNING STUDY OR FOR AN ELIGIBLE PROJECT. A  
29 MANAGEMENT ENTITY MAY ALSO ISSUE BONDS, IF PERMITTED TO DO SO  
30 UNDER COMMONWEALTH STATUTE, FOR THE PURPOSES OF EXECUTING A

1 TRID, A TRID PLANNING STUDY OR FOR AN ELIGIBLE PROJECT.

2 SECTION 506. PROHIBITION ON MANAGEMENT ENTITIES.

3 A MEMBER OF THE MANAGEMENT ENTITY MAY NOT RECEIVE MONEY  
4 DIRECTLY OR INDIRECTLY FROM THE TRID.

5 SECTION 4. SECTIONS 701 AND 702 OF THE ACT ARE AMENDED TO  
6 READ:

7 Section 701. Creation of value capture area.

8 In conjunction with the formal establishment of the TRID  
9 boundaries, a coterminous value capture area shall  
10 simultaneously be created to enable local municipalities, school  
11 districts, the county and the public transportation agency to  
12 share the increased tax increment of real estate and other  
13 designated tax revenues generated by new real estate investment  
14 within the TRID. The participants in the TRID, through the  
15 designated management entity, shall develop an administrative  
16 and project schedule and budget to implement the project,  
17 including future maintenance needs, as defined in the TRID  
18 planning study, as well as the shares and use of [such tax] the  
19 incremental revenues as are projected to be generated from the  
20 TRID value capture area. The participating municipality or  
21 municipalities may review and revise the TRID budget.

22 Section 702. [Dedication of tax revenues] FINANCING OF PROJECT <--  
23 COSTS.

24 [Tax] A portion of incremental tax revenues [generated <--  
25 within] TRANSFERRED TO a TRID shall be dedicated to completion <--  
26 and future maintenance of the specific and necessary transit  
27 capital and public infrastructure improvements designated in the  
28 comprehensive plan amendment and TRID planning study as follows:

29 (1) Local [municipalities and counties shall not use  
30 such revenues for general government purposes, and a public

1 transportation agency shall not use such revenues for transit  
2 capital investments elsewhere on the public transportation  
3 system.] taxing bodies shall approve that portion of revenues  
4 which shall be dedicated to support TRID implementation and  
5 that portion which shall be dedicated for general government  
6 purposes.

7 (1.1) A public transportation agency may not use the  
8 revenue for a transit capital investment outside of a  
9 designated TRID except if the investment is necessary and  
10 integral to achieve an approved TRID implementation  
11 objective.

12 (2) Local municipalities, school districts and the  
13 county shall establish an amortization schedule for receipt,  
14 investment and expenditure of any TRID tax incremental  
15 revenues[, not to exceed 20 years,] similar to [the <--  
16 amortization schedule], BUT NOT LIMITED BY, THE FINANCING OF <--  
17 COSTS PROVISIONS in the act of July 11, 1990 (P.L.465,  
18 No.113), known as the Tax Increment Financing Act. [However,  
19 where a municipal or joint municipal authority has been  
20 created, it shall be responsible for fixing the amortization  
21 schedule and for defining the TRID capital improvement plan.]  
22 Incremental tax revenue generated by a TRID property may be  
23 directed for use in TRID projects for up to 20 years from the <--  
24 date a property is designated as a TRID. OR ELIGIBLE <--  
25 PROJECTS, INCLUDING FOR USE IN FINANCING A BOND OR NOTE THE <--  
26 PROCEEDS OF WHICH ARE USED IN TRID PROJECTS OR ELIGIBLE <--  
27 PROJECTS, FOR UP TO 20 YEARS FROM THE DATE A PROPERTY IS  
28 DESIGNATED AS A PARCEL THAT WILL CONTRIBUTE TAX REVENUE IN A <--  
29 TRID.

30 (3) FOR THE PURPOSES OF THIS ACT, PROJECT COSTS AND THE

1 FINANCING THEREOF SHALL BE REGARDED AS LIKE AND SIMILAR TO  
2 THE PROVISIONS DELINEATED IN THE TAX INCREMENT FINANCING ACT.

3 Section 3 5. The act is amended by adding a chapter to read: <--

4 CHAPTER 8

5 CAPTURE OF TRID TAX REVENUE <--

6 Section 801. Definitions.

7 The following words and phrases when used in this chapter  
8 shall have the meanings given to them in this section unless the  
9 context clearly indicates otherwise:

10 "Baseline year." The calendar year the department approved  
11 the TRID as a recipient of tax revenue generated within the  
12 TRID.

13 "Bond." The term includes a note, instrument, refunding note  
14 or other evidence of indebtedness or obligation.

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

16 "Eligible project." Development or improvement within a  
17 TRID, including construction, infrastructure and site  
18 preparation, reconstruction or renovation of a facility within a  
19 TRID which will result in economic development or transit-  
20 oriented development in accordance with the TRID and the TRID-  
21 planning study.

22 "Eligible tax." As follows:

23 (1) Any of the following taxes if generated within an  
24 area of not more than 100 acres, comprised of parcels  
25 designated by the management entity:

26 (i) Corporate net income tax, capital stock and  
27 franchise tax or bank shares tax, calculated and  
28 apportioned as to amount attributable to the location  
29 within the TRID and calculated under section 1904 B(b)  
30 and (c) of the act of March 4, 1971 (P.L.6, No.2), known

1 ~~as the Tax Reform Code of 1971.~~

2 ~~(ii) Sales and use tax, only to the extent the tax~~  
3 ~~is related to the activity of a qualified business within~~  
4 ~~the TRID.~~

5 ~~(iii) Personal income tax withheld from its~~  
6 ~~employees by a qualified business for work performed in~~  
7 ~~the TRID.~~

8 ~~(iv) Tax paid to the Commonwealth related to the~~  
9 ~~sale of liquor, wine or malt or brewed beverages in the~~  
10 ~~TRID.~~

11 ~~(v) Real estate taxes.~~

12 ~~(2) The term does not include cigarette tax.~~

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

14 ~~(1) An entity located or partially located in a TRID~~  
15 ~~which meets the requirements of all of the following:~~

16 ~~(i) Has conducted an active trade or business in the~~  
17 ~~TRID.~~

18 ~~(ii) Appears on the timely filed list under section~~  
19 ~~805(a).~~

20 ~~(2) A construction contractor engaged in construction,~~  
21 ~~including infrastructure or site preparation, reconstruction~~  
22 ~~or renovation of a facility located in or partially in the~~  
23 ~~TRID.~~

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

26 ~~"TRID fund." A TRID fund established under section 806.~~

27 GRANT OF TRID REVENUE

<--

28 SECTION 801. ESTABLISHMENT.

29 THERE IS ESTABLISHED A SPECIAL FUND IN THE STATE TREASURY TO  
30 BE KNOWN AS THE TRID FUND. MONEYS DEPOSITED INTO THE FUND AND

1 INTEREST WHICH ACCRUES FROM THOSE FUNDS SHALL BE USED FOR THE  
2 PURPOSES DELINEATED IN THIS CHAPTER.

3 Section 802. Approval.

4 (a) Submission.--A management entity may apply to the  
5 ~~Department of Community and Economic Development to establish a~~ <--  
6 ~~TRID fund DEPARTMENT~~ for the purposes of funding an eligible <--  
7 project or for covering debt service payments related to debt  
8 incurred to fund an eligible project.

9 (b) Agencies.--The ~~Department of Community and Economic~~ <--  
10 ~~Development~~ DEPARTMENT, IN CONSULTATION WITH THE OFFICE OF THE <--  
11 ~~BUDGET AND THE DEPARTMENT OF REVENUE,~~ shall approve two <--  
12 applications within six months of the effective date of this  
13 section and may approve additional applications thereafter.

14 (c) Approval schedule.--The ~~Department of Community and~~ <--  
15 ~~Economic Development~~ DEPARTMENT shall develop a schedule for the <--  
16 approval of applications. ~~provided that an application under~~ <--  
17 ~~this section shall be approved or disapproved within 90 days of~~  
18 ~~the postmark date of the submission. An application which is not~~  
19 ~~disapproved within the time period under this subsection shall~~  
20 ~~be deemed to be approved.~~

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

24 Section 803. Additional powers of management entities.

25 In addition to other powers and functions of management  
26 entities granted under this act, a management entity shall have  
27 the power to borrow money for the purposes of executing a TRID  
28 or TRID planning study for which a ~~TRID fund~~ AN APPLICATION has <--  
29 been approved under section 802.

30 Section 804. Prohibition on management entities.

1 A member of the management entity may not receive money  
2 directly or indirectly from the TRID fund FUND. <--

3 Section 805. Qualified businesses. <--

4 (a) List. By June 1 following the end of the baseline year,  
5 and for every year thereafter, each management entity shall WORK <--  
6 IN CONSULTATION WITH THE DEPARTMENT TO DEVELOP A LIST OF  
7 BUSINESSES AND file with the department a complete list of all  
8 businesses located in the TRID and all construction contractors  
9 engaged in construction, reconstruction or renovation of a  
10 facility in the TRID in the prior calendar year. The list shall  
11 include for each business address, State tax identification  
12 number and parcel number and a map of the TRID with parcel  
13 numbers. NOTHING IN THIS SUBSECTION SHALL REQUIRE THE DEPARTMENT <--  
14 TO DISCLOSE INFORMATION THAT IS PROTECTED BY LAW FROM  
15 DISCLOSURE.

16 (b) Time. If the list under subsection (a) is not timely  
17 provided to the department, no eligible State tax shall be  
18 certified by the department for the prior calendar year., UNLESS <--  
19 THE MANAGEMENT ENTITY REQUESTS AN EXTENSION FROM THE DEPARTMENT.  
20 THE EXTENSION SHALL BE REQUESTED AT LEAST 30 DAYS PRIOR TO THE  
21 DATE SPECIFIED IN SUBSECTION (A) AND MAY NOT BE FOR A PERIOD  
22 LONGER THAN 30 DAYS UNLESS SPECIFICALLY APPROVED BY THE  
23 DEPARTMENT.

24 Section 806. Funds.

25 (a) Notice. Following the approval of an application under  
26 section 802, the management entity shall notify the State  
27 Treasurer.

28 (b) Establishment. Upon receipt of notice under subsection  
29 (a), the State Treasurer shall establish for each TRID a special  
30 fund for the benefit of the management entity to be known as the

1 ~~TRID Fund. Interest income derived from investment of money in a~~  
2 ~~fund shall be credited by the State Treasury to the fund.~~

3 ~~Section 807. Reports.~~

4 ~~(a) TRID report. By June 15 following the baseline year and~~  
5 ~~each year thereafter, each qualified business shall file a~~  
6 ~~report with the department in a form or manner required by the~~  
7 ~~department which includes all of the following:~~

8 ~~(1) Amount of each eligible tax which was paid to the~~  
9 ~~Commonwealth by the qualified business in the prior calendar~~  
10 ~~year.~~

11 ~~(2) Amount of each eligible tax refund received from the~~  
12 ~~Commonwealth in the prior calendar year by the qualified~~  
13 ~~business.~~

14 ~~(b) Penalties.~~

15 ~~(1) Failure to file a timely and complete report under~~  
16 ~~subsection (a) may result in the imposition of a penalty of~~  
17 ~~the lesser of:~~

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

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

21 ~~(2) A penalty for a violation of subsection (a) shall be~~  
22 ~~imposed, assessed and collected by the department under~~  
23 ~~procedures set forth in Article II of the act of March 4,~~  
24 ~~1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.~~  
25 ~~Money collected under this paragraph shall be deposited in~~  
26 ~~the General Fund.~~

27 ~~(3) NO PENALTIES SHALL BE IMPOSED UNDER THIS SECTION ON <--~~  
28 ~~QUALIFIED BUSINESSES FOR A YEAR IN WHICH THE AMOUNT CERTIFIED~~  
29 ~~FOR THE TRID EXCEEDS \$350,000.~~

30 ~~Section 808. Calculation of baseline.~~

~~(a) Baseline tax.— By October 15 following the end of the baseline year and for each year thereafter, the department shall verify the State baseline tax amount which consists of 75% of the following:~~

~~(1) For qualified businesses that file timely TRID reports under section 807, the amount of eligible State tax paid, less eligible State tax refunds.~~

~~(2) For qualified businesses not included under paragraph (1) but located or partially located in the TRID as determined by the department or included in the information received by the department under section 807(a), the amount of eligible State tax paid, less eligible State tax refunds.~~

~~(b) 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; or~~

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

~~(2) A qualified business subject to paragraph (1) shall file a TRID report under section 807 following the end of the first full calendar year in which the qualified business conducted business in the TRID and each calendar year thereafter. The amount of eligible State tax verified by the department for the qualified business for the prior calendar year shall be added to the State baseline tax amount for the zone for the prior calendar year and each year thereafter.~~

~~(3) The calculation under this section may not include the eligible taxes of a qualifying business moving into the~~

1 ~~TRID from outside this Commonwealth.~~

2 ~~Section 809. Certification.~~

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

6 ~~(1) Make the following calculation for qualified~~  
7 ~~businesses which file TRID reports under section 807(a),~~  
8 ~~separately for each TRID:~~

9 ~~(i) Subtract:~~

10 ~~(A) the amount of eligible State tax refunds~~  
11 ~~received; from~~

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

13 ~~(ii) Subtract:~~

14 ~~(A) the State tax baseline amount for the zone;~~  
15 ~~from~~

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

17 ~~(2) Certify to the Office of the Budget the difference~~  
18 ~~under paragraph (1)(ii).~~

19 ~~(b) Content.—~~

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

21 ~~(i) Adjustment made to timely filed TRID reports by~~  
22 ~~the department for eligible State tax actually paid by a~~  
23 ~~qualified business in the prior calendar year.~~

24 ~~(ii) Eligible State tax refunds paid to a qualified~~  
25 ~~business in the TRID in a prior calendar year.~~

26 ~~(iii) State tax penalties paid by a qualified~~  
27 ~~business in the prior year under section 807(b).~~

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

29 ~~(i) Tax paid by a qualified business that did not~~  
30 ~~file a timely TRID report under section 807(a).~~

1 ~~(ii) Tax paid by a qualified business whose tax was~~  
2 ~~not included in the State tax baseline amount calculation~~  
3 ~~under section 808.~~

4 ~~(iii) Tax paid by a qualifying business not~~  
5 ~~appearing on a timely filed list under section 805(a).~~

6 ~~(C) LIMITATION. THE DEPARTMENT MAY NOT BE REQUIRED TO~~ <--  
7 ~~CALCULATE OR CERTIFY STATE TAX AMOUNTS IN EXCESS OF \$350,000 PER~~  
8 ~~ANNUM FOR EACH TRID.~~

9 ~~Section 810. Transfers.~~

10 ~~(a) Office. Within 10 days of receiving the certification~~  
11 ~~from the department under section 809, the Office of the Budget~~  
12 ~~shall direct the State Treasurer to transfer the amount of~~  
13 ~~certified eligible TRID tax not to exceed \$350,000 per annum~~  
14 ~~from the General Fund to each TRID fund.~~

15 ~~(b) State Treasurer. Within 10 days of receiving direction~~  
16 ~~under subsection (a), the State Treasurer shall pay into the~~  
17 ~~TRID fund the amount directed under subsection (a) until bonds~~  
18 ~~OR NOTES issued to finance the construction, including related~~ <--  
19 ~~infrastructure and site preparation, reconstruction or~~  
20 ~~renovation of a facility or other eligible project in the TRID~~  
21 ~~are retired.~~

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

23 ~~(1) If the transfers under subsection (a) are~~  
24 ~~insufficient to make payments on the bonds OR NOTES issued~~ <--  
25 ~~under section 811(a)(1) for the calendar year when the~~  
26 ~~transfers are made, the management entity shall notify the~~  
27 ~~Department of Community and Economic Development, the Office~~  
28 ~~of the Budget and the department of the amount of additional~~  
29 ~~money necessary to make payments on the bonds OR NOTES.~~ <--

30 ~~(2) The notification under paragraph (1) must be~~

~~accompanied by a detailed account of the management entity's  
expenditures and the calculation which resulted in the  
request for additional money. The Department of Community and  
Economic Development, the Office of the Budget or the  
department may request additional information from the  
management entity and shall jointly verify the proper amount  
of money necessary to make the payments on the bonds OR~~ <--

~~NOTES.~~

~~(3) Notwithstanding 53 Pa.C.S. § 5607(e) (relating to  
purposes and powers) within 90 days of the date of the  
notification request, the Office of the Budget shall direct  
the State Treasurer to establish a restricted account within  
the General Fund. The Office of the Budget shall direct the  
State Treasurer to transfer the amount verified under  
paragraph (2) from the General Fund to the restricted account  
for the use of the management entity to make payments on the  
bonds OR NOTES issued under section 811(a)(1).~~ <--

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

~~(i) shall be limited to \$100,000; and~~

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

~~(5) Under extraordinary circumstances, a management  
entity may request money in excess of the limitations under  
paragraph (4)(i). The Department of Community and Economic  
Development, the Office of the Budget and the department  
shall determine whether the circumstances merit additional  
money and the amount to be transferred. The money shall be  
transferred under the procedure under this section.~~

~~(6) Money transferred under paragraph (3) OR (5) shall  
be repaid to the General Fund by the management entity. If~~ <--

~~1 money transferred under paragraph (3) is not repaid to the  
2 General Fund by the management entity by the date of the  
3 final payment on the bonds OR NOTES originally issued under <--  
4 section 811(a)(1), the municipality or county and the transit  
5 agency which established the management entity shall pay, in  
6 equal shares, the money not repaid to the General Fund plus  
7 an additional penalty of 10% of the amount outstanding on the  
8 date of the final payment on the bonds OR NOTES originally <--  
9 issued under section 811(a)(1).~~

10 SECTION 805. TRANSFERS. <--

11 (A) MATCHING FUNDS.--THE AMOUNT OF MONEY TRANSFERRED FROM  
12 THE TRID FUND UTILIZED FOR THE CONSTRUCTION, INCLUDING RELATED  
13 SITE PREPARATION AND INFRASTRUCTURE, RECONSTRUCTION OR  
14 RENOVATION OF FACILITIES, SHALL BE MATCHED BY OTHER SOURCES OF  
15 FUNDING AT A RATIO OF TWO FUND DOLLARS TO ONE PRIVATE DOLLAR.

16 (B) REPORT.--BY APRIL 1, FOLLOWING YEAR ONE, AND FOR EACH  
17 YEAR THEREAFTER, THE MANAGEMENT ENTITY SHALL FILE AN ANNUAL  
18 REPORT WITH THE DEPARTMENT AND THE OFFICE OF THE BUDGET THAT  
19 CONTAINS A DETAILED ACCOUNT OF THE TRID FUND MONEY EXPENDITURES  
20 AND THE EXPENDITURES OF FUNDS FROM OTHER SOURCES AND A  
21 CALCULATION OF THE RATIO IN SUBSECTION (A) FOR THE PRIOR  
22 CALENDAR YEAR. THE AGENCIES SHALL DETERMINE WHETHER SUFFICIENT  
23 FUNDING FROM OTHER SOURCES WAS UTILIZED.

24 (C) CREDIT OF MATCHING FUNDS.--FOR THE PURPOSES OF MEETING  
25 THE MATCHING FUNDING REQUIREMENT, THE AGENCIES SHALL ALLOW A  
26 MANAGEMENT ENTITY TO DEMONSTRATE THAT A MULTIYEAR ELIGIBLE  
27 MATCHING FUNDING INVESTMENT WAS MADE IN A PARTICULAR YEAR. IN  
28 SUBSEQUENT YEARS, THE MANAGEMENT ENTITY SHALL REFER TO THE GROSS  
29 MATCHING FUND INVESTMENT IN THE YEAR IT WAS ESTABLISHED AND  
30 CARRY FORWARD A CREDIT IN AN AMOUNT OF THE ORIGINAL INVESTMENT

1 MINUS THE FUNDS ALREADY APPLIED AS A MATCHING FUND REQUIREMENT,  
2 UP TO THE REMAINING MATCHING FUNDS.

3 (D) DEDUCTION.--IF IT IS DETERMINED THAT INSUFFICIENT  
4 FUNDING FROM OTHER SOURCES WAS UTILIZED UNDER SUBSECTION (A),  
5 THE AMOUNT OF TRID FUND MONEY UTILIZED UNDER SUBSECTION (A) IN  
6 THE PRIOR CALENDAR YEAR SHALL BE DEDUCTED FROM THE NEXT TRANSFER  
7 OF THE FUND.

8 (E) FINANCIAL APPROVAL.--UPON BEING SATISFIED THAT ALL  
9 REQUIREMENTS HAVE BEEN MET INCLUDING PRIVATE DOLLAR MATCH, THE  
10 DEPARTMENT SHALL NOTIFY THE STATE TREASURER TO ISSUE A GRANT IN  
11 AN AMOUNT NOT TO EXCEED \$350,000 ANNUALLY, AS ESTABLISHED BY THE  
12 SECRETARY OF THE BUDGET PER TRID.

13 (F) SALES TAX TRANSFER.--ON JUNE 1, 2016, AND ON EACH JUNE 1  
14 FOR THE NEXT 20 CALENDAR YEARS, \$700,000 FROM THE TAX IMPOSED BY  
15 ARTICLE II OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS  
16 THE TAX REFORM CODE OF 1971, SHALL BE TRANSFERRED TO THE TRID  
17 FUND FOR PAYMENT TO THE FIRST TWO TRIDS APPROVED UNDER SECTION  
18 802(B).

19 (G) REMAINING TRID FUND MONEY.--EACH YEAR AFTER THE  
20 TRANSFERS FROM THE TRID FUND TO THE TRIDS UNDER SUBSECTION (F),  
21 ANY MONEY REMAINING IN THE TRID FUND SHALL BE RETURNED TO THE  
22 GENERAL FUND.

23 (H) GRANTS TO OTHER TRIDS.--FOR ANY TRID OTHER THAN THE  
24 FIRST TWO TRIDS APPROVED UNDER SECTION 802(B), THE DEPARTMENT  
25 MAY PROVIDE GRANTS OF UP TO \$350,000 EACH YEAR FOR THE PURPOSES  
26 DELINEATED IN THIS CHAPTER.

27 Section ~~811~~ 806. Restrictions.

<--

28 (a) Utilization.--If the use was approved in an application  
29 filed under section 802, money transferred under section ~~810~~ 805 <--  
30 may only be utilized for the following:

1       (1) Payment of debt service on bonds ~~OR NOTES~~ issued for <--  
2 the construction, including related infrastructure and site  
3 preparation, reconstruction or renovation of a facility in  
4 the TRID.

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

8       (3) Replenishment of amounts in debt service reserve  
9 funds established to pay debt service on bonds ~~OR NOTES~~. <--

10       (4) Improvement or development of all or part of a TRID.

11       (5) Improvement projects, including fixtures and  
12 equipment for a facility owned by a public authority.

13       (b) Excess money.--

14       (1) If the amount of money transferred to the fund under  
15 section ~~810~~ 805 in any one calendar year exceeds the money <--  
16 utilized under this section in that calendar year, the  
17 management entity shall submit by January 15 following the  
18 end of the calendar year the excess money to the State  
19 Treasurer for deposit into the General Fund.

20       (2) At the time of submission to the State Treasurer,  
21 the management entity shall submit to the State Treasurer,  
22 the Office of the Budget and department a detailed accounting  
23 of the calculation resulting in the excess money.

24       ~~(3) The excess money shall be credited to the management <--~~  
25 ~~entity and applied to the amount required to be repaid under~~  
26 ~~section 810(c)(6) until there is full repayment.~~

27       ~~(c) Matching funds.--~~

28       ~~(1) The amount of money transferred from the TRID fund~~  
29 ~~utilized for the construction, including related site~~  
30 ~~preparation and infrastructure, reconstruction or renovation~~

~~of facilities shall be matched by other sources of funding at  
a ratio of two fund dollars to one private dollar BY A SOURCE <--  
OTHER THAN A TRID FUND.~~

~~(2) By April 1, following the baseline year and for each  
year thereafter, the management entity shall file an annual  
report with the Department of Community and Economic  
Development, the Office of the Budget and the department that  
contains detailed account of the fund money expenditures and  
the expenditures of funds from other sources and a  
calculation of the ratio in paragraph (1) for the prior  
calendar year. The agencies shall determine whether  
sufficient funding from other sources was utilized.~~

~~(3) If it is determined that insufficient funding from  
other sources was utilized under paragraph (1), the amount of  
TRID fund money utilized under paragraph (1) in the prior  
calendar year shall be deducted from the next transfer of the  
fund.~~

Section 812. Duration.

A TRID fund shall be in effect for:

~~(1) the amount of time required to complete any approved  
eligible project for which debt was not incurred; or~~

~~(2) a period equal to the length of time for the  
repayment of debt incurred for the TRID, including bonds OR <--  
NOTES issued. Bonds OR NOTES shall be paid no later than 30 <--  
years following the initial issuance of the bonds OR NOTES. <--~~

SECTION 807. EXPIRATION. <--

THE TRID FUND SHALL EXPIRE ON DECEMBER 31, 2035. UPON  
EXPIRATION, MONEY IN THE FUND NOT ENCUMBERED SHALL LAPSE TO THE  
GENERAL FUND.

Section 813 808. Commonwealth pledges. <--

1 (a) Pledge.--If and to the extent the management entity  
2 pledges amounts required to be transferred to ~~its TRID fund~~ THE <--  
3 TRID FUND under section ~~810~~ 805 for payment of bonds OR NOTES-- <--  
4 issued by the management entity, until all bonds DEBT BONDS <--  
5 secured by the pledge of the management entity, together with  
6 interest on the bonds DEBT BONDS, are fully paid or provided <--  
7 for, the Commonwealth pledges to and agrees with any person,  
8 firm, corporation or government agency, in this Commonwealth or  
9 elsewhere and pledges to and agrees with any Federal agency  
10 subscribing to or acquiring the bonds OR NOTES of the <--  
11 contracting authority OF THE MANAGEMENT ENTITY that the <--  
12 Commonwealth will not, nor will it authorize any government  
13 entity to, do any of the following:

- 14 (1) Abolish or reduce the size of the TRID.  
15 ~~(2) Amend or repeal section 808 or 809. <--~~  
16 ~~(3)~~ (2) Limit or alter the rights vested in the <--  
17 management entity in a manner inconsistent with the  
18 obligations of the management entity with respect to the  
19 bonds DEBT BONDS issued by the management entity. <--  
20 ~~(4)~~ (3) Impair revenue to be paid under this chapter to <--  
21 the management entity necessary to pay debt service on bonds  
22 OR NOTES. <--

23 (b) Limitation.--Nothing under this section shall limit the  
24 authority of the Commonwealth to change the rate, base or  
25 subject of a specific tax or to repeal or enact any tax.

26 Section 814. Confidentiality. <--

27 ~~(a) Sole use.-- A TRID report or certification under this~~  
28 ~~chapter shall only be used by the management entity, the~~  
29 ~~Department of Community and Economic Development, the Office of~~  
30 ~~the Budget or the department to verify the amount of the State~~

1 ~~tax baseline amount calculated under section 808 and State tax~~  
2 ~~certification under section 809.~~

3 ~~(b) Prohibition. Use of a TRID report other than as~~  
4 ~~provided under subsection (a) shall be prohibited and shall be~~  
5 ~~subject to the law applicable to the confidentiality of tax~~  
6 ~~records.~~

7 ~~Section 815~~ 809. Guidelines. <--

8 ~~The Department of Community and Economic Development,~~ <--

9 ~~DEPARTMENT AND the Office of the Budget and the department shall~~ <--  
10 ~~develop and publish guidelines necessary to implement this~~  
11 ~~chapter.~~

12 Section 4 6. Section 901 of the act is amended to read: <--

13 Section 901. Public meeting to explain TRID and alternative  
14 implementation approaches.

15 Community and public involvement in the establishment of  
16 TRIDs is required. The municipality and the public  
17 transportation agency shall jointly conduct at least one public  
18 meeting in the proposed TRID area prior to the enactment of a  
19 TRID[, ] and TRID planning study[, comprehensive plan or zoning  
20 amendment]. The meeting is intended to explain the purpose and  
21 components of the TRID and the alternative implementation  
22 approaches. The public meeting or meetings shall be in addition  
23 to any required local government public hearing or hearings  
24 prior to comprehensive or multimunicipal plan amendment  
25 adoption. However, nothing in this act shall relieve the [TRID  
26 management entity] municipality or public transportation entity <--  
27 AGENCY from conducting all public meetings required by law where <--  
28 the TRID is acting or seeking to act under the:

29 (1) Act of May 24, 1945 (P.L.991, No.385), known as the  
30 Urban Redevelopment Law.

1           (2) Act of July 11, 1990 (P.L.465, No.113), known as the  
2 Tax Increment Financing Act.

3           (3) Act of December 20, 2000 (P.L.949, No.130), known as  
4 the Neighborhood Improvement District Act.

5 Section 5 7. This act shall take effect in 60 days.                   <--