

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2638 Session of 2018

INTRODUCED BY STEPHENS, READSHAW, DAVIS, DRISCOLL, B. O'NEILL, BARBIN AND DEAN, SEPTEMBER 12, 2018

SENATOR RAFFERTY, TRANSPORTATION, IN SENATE, AS AMENDED, OCTOBER 15, 2018

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 declaration of policy and
20 for definitions; adding provisions relating to military
21 installation remediation and water, sewer and storm water
22 systems remediation projects; and establishing the
23 Remediation Fund. IN GENERAL PROVISIONS, FURTHER PROVIDING <--
24 FOR DECLARATION OF POLICY AND FOR DEFINITIONS; AND PROVIDING
25 FOR MILITARY INSTALLATION REMEDIATION AND FOR ESTABLISHMENT
26 OF THE MILITARY INSTALLATION REMEDIATION FUND.

27 The General Assembly of the Commonwealth of Pennsylvania
28 hereby enacts as follows:

29 Section 1. Section 102 of the act of December 8, 2004 <--

1 ~~(P.L.1801, No.238), known as the Transit Revitalization~~
2 ~~Investment District Act, is amended to read:~~

3 ~~Section 102. Declaration of policy.~~

4 ~~The General Assembly finds and declares as follows:~~

5 ~~(1) The overall purpose and legislative intent of this~~
6 ~~act is to authorize public transportation agencies throughout~~
7 ~~this Commonwealth to work cooperatively with counties, local~~
8 ~~governments, transportation authorities, the private sector~~
9 ~~and the National Railroad Passenger Corporation (AMTRAK) and~~
10 ~~other providers of public transportation and passenger rail~~
11 ~~services to create and designate Transit Revitalization~~
12 ~~Investment Districts (TRIDs).~~

13 ~~(2) The specific purposes and intent of a designated~~
14 ~~TRID are to:~~

15 ~~(i) Promote local, county and regional economic~~
16 ~~development and revitalization activities through private~~
17 ~~sector investment, reinvestment and joint development~~
18 ~~activities in conjunction with public transportation~~
19 ~~improvements.~~

20 ~~(ii) Encourage multimunicipal, cooperative~~
21 ~~approaches to generate new investment, reinvestment and~~
22 ~~revitalization through transit oriented development~~
23 ~~around rail transit stations and along public~~
24 ~~transportation corridors.~~

25 ~~(iii) Increase overall ridership on public~~
26 ~~transportation systems, including AMTRAK, while~~
27 ~~generating additional revenues for current and expanded~~
28 ~~services, capital improvements and related ongoing~~
29 ~~maintenance.~~

30 ~~(iv) Encourage and support municipal and~~

1 ~~multimunicipal comprehensive plan implementation,~~
2 ~~including consistency of plans at the local, county and~~
3 ~~regional levels.~~

4 ~~(v) Stimulate public private partnerships created by~~
5 ~~prospective development opportunities around, within or~~
6 ~~adjacent to the transit system, station areas and transit~~
7 ~~system components.~~

8 ~~(vi) Establish appropriate mechanisms to capture the~~
9 ~~real estate taxation and other values added by joint~~
10 ~~development activities for reinvestment in the transit~~
11 ~~system and local communities.~~

12 ~~(vii) Encourage greater community involvement in~~
13 ~~TRID location, design and implementation and resulting~~
14 ~~investment activities.~~

15 ~~(viii) Promote flexible, cooperative, coordinated~~
16 ~~and enhanced support for innovative, intermodal solutions~~
17 ~~in TRID development and implementation activities by~~
18 ~~municipal officials, public agencies, nonprofit~~
19 ~~organizations and the private sector.~~

20 ~~(ix) Support TRID implementation by maximizing use~~
21 ~~of existing Federal and State laws and programs that are~~
22 ~~consistent with the purposes of this act.~~

23 ~~(3) There is a lack of funding and knowledge relating to~~
24 ~~remediation needed to provide for proper infrastructure in~~
25 ~~water, sewer and storm water systems.~~

26 ~~Section 2. Section 103 of the act is amended by adding~~
27 ~~definitions to read:~~

28 ~~Section 103. Definitions.~~

29 ~~The following words and phrases when used in this act shall~~
30 ~~have the meanings given to them in this section unless the~~

1 context clearly indicates otherwise:

2 * * *

3 ~~"Deteriorated property." The term shall have the same~~
4 ~~meaning as in section 103 of the act of October 6, 1998~~
5 ~~(P.L.705, No.92), known as the Keystone Opportunity Zone,~~
6 ~~Keystone Opportunity Expansion Zone and Keystone Opportunity~~
7 ~~Improvement Zone Act.~~

8 * * *

9 ~~"Qualified authority." A municipal authority established~~
10 ~~under 53 Pa.C.S. Ch. 56 (relating to municipal authorities)~~
11 ~~after the effective date of this definition by a qualified~~
12 ~~municipality for the purpose of issuing grants for a remediation~~
13 ~~project.~~

14 ~~"Qualified former military installation." A parcel that was~~
15 ~~previously used by a branch of the United States Armed Forces~~
16 ~~for a military installation that was closed based on the~~
17 ~~recommendation of the Defense Base Closure and Realignment~~
18 ~~Commission no more than 15 years prior to the effective date of~~
19 ~~this definition.~~

20 ~~"Qualified municipality." A municipality which has within~~
21 ~~its geographic bounds a qualified former military installation~~
22 ~~or water, sewer or storm water pollution identified by the~~
23 ~~United States Environmental Protection Agency or the Department~~
24 ~~of Environmental Protection.~~

25 ~~"Qualified tax." All of the following:~~

26 ~~(1) Corporate net income tax, bank shares tax, personal~~
27 ~~income tax paid by shareholders, members or partners of~~
28 ~~Subchapter S corporations, limited liability companies,~~
29 ~~partnerships or amounts paid by sole proprietors on income~~
30 ~~other than passive activity income as defined under section~~

1 ~~469 of the Internal Revenue Code of 1986 (Public Law 99-516,~~
2 ~~26 U.S.C. § 1 et seq.), calculated and apportioned as to the~~
3 ~~amount attributable to the location within a qualified former~~
4 ~~military installation.~~

5 ~~(2) Sales and use tax, only to the extent the tax is~~
6 ~~related to the activity of a qualified business within a~~
7 ~~qualified former military installation. The term includes~~
8 ~~sales and use taxes on material used for construction in a~~
9 ~~qualified former military installation and business personal~~
10 ~~property to be used by a qualified business in a qualified~~
11 ~~former military installation.~~

12 ~~(3) Personal income tax withheld from employees by a~~
13 ~~qualified business for work performed in a qualified former~~
14 ~~military installation.~~

15 ~~(4) Realty transfer tax paid to the Commonwealth, for~~
16 ~~property purchased within a qualified former military~~
17 ~~installation.~~

18 ~~(5) Local taxes designated by a local taxing entity.~~
19 ~~The term does not include a cigarette tax.~~

20 ~~"Qualified taxpayer." A person conducting business for~~
21 ~~profit in a parcel designated under section 301 A(a)(4) or an~~
22 ~~individual whose primary residence is in a parcel designated~~
23 ~~under section 301 A(a)(4). The term does not include a person~~
24 ~~conducting business for profit that moved operations from a non-~~
25 ~~designated parcel to the designated parcel.~~

26 * * *

27 ~~"Remediation project." Any of the following:~~

28 ~~(1) The cost of remediation relating to pollution~~
29 ~~identified by the United States Environmental Protection~~
30 ~~Agency or the Department of Environmental Protection.~~

1 ~~(2) The transportation infrastructure and economic~~
2 ~~development costs within a qualified municipality to~~
3 ~~encourage redevelopment.~~

4 ~~(3) The cost of remediation relating to water, sewer or~~
5 ~~storm water projects.~~

6 * * *

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

9 * * *

10 Section 3. The act is amended by adding a chapter to read:

11 CHAPTER 3 A

12 REMEDIATION Program

13 Section 301 A. Remediation program.

14 (a) Applications.

15 ~~(1) A qualified authority shall submit an application to~~
16 ~~the Department of Revenue with a list of parcels. The list~~
17 ~~may include the following:~~

18 ~~(i) A qualified former military installation.~~

19 ~~(ii) A parcel in the qualified municipality which~~
20 ~~was previously subject to development restrictions due to~~
21 ~~the presence of the qualified former military~~
22 ~~installation.~~

23 ~~(iii) No more than 100 acres of parcels in the~~
24 ~~qualified municipality which are deteriorated.~~

25 ~~(iv) Parcels having water, sewer or storm water~~
26 ~~pollution identified by the United States Environmental~~
27 ~~Protection Agency or the Department of Environmental~~
28 ~~Protection.~~

29 ~~(2) The application shall include a copy of the~~
30 ~~development plan, relevant geographic data, parcel numbers~~

1 ~~and an economic impact report containing potential State and~~
2 ~~local revenue impact and such additional information as~~
3 ~~proscribed by the Department of Revenue.~~

4 ~~(3) The application shall include a certificate from the~~
5 ~~local governing boards that approves designating local taxes~~
6 ~~to be part of the qualified taxes.~~

7 ~~(4) Parcels included within applications that meet~~
8 ~~Department of Revenue criteria shall receive full designation~~
9 ~~for the program described in this section.~~

10 ~~(b) List. By June 1 following the effective date of this~~
11 ~~section and for each June 1 thereafter, a qualified authority~~
12 ~~shall file with the Department of Revenue a list of all~~
13 ~~qualified taxpayers located in parcels designated under~~
14 ~~subsection (a) for the prior calendar year.~~

15 ~~(c) Contents. The list under subsection (b) shall include~~
16 ~~all businesses and residents located in or residing in the~~
17 ~~designated parcels and all businesses engaged in acquisition,~~
18 ~~development and construction in designated parcels during the~~
19 ~~prior calendar year. The list shall include for each business~~
20 ~~the address, the names of the business owners or corporate~~
21 ~~officers, State tax identification number and parcel number and~~
22 ~~a map with parcel numbers.~~

23 ~~(d) Time. If the list under subsection (b) is not timely~~
24 ~~provided to the Department of Revenue, no eligible tax may be~~
25 ~~certified by the Department of Revenue for the purpose of the~~
26 ~~transfer under subsection (j) for the calendar year.~~

27 ~~(e) Parcel report. No later than June 15 following the~~
28 ~~effective date of this section and for each June 15 thereafter,~~
29 ~~each qualified taxpayer shall file a program report with the~~
30 ~~Department of Revenue in a form or manner required by the~~

1 ~~department that includes all of the following:~~

2 ~~(1) The amount of each qualified tax paid to the~~
3 ~~Commonwealth by the qualified taxpayer in the prior calendar~~
4 ~~year.~~

5 ~~(2) The amount of each qualified tax refund received~~
6 ~~from the Commonwealth in the prior calendar year by the~~
7 ~~qualified taxpayer.~~

8 ~~(f) Penalties.—~~

9 ~~(1) Failure to file a timely and complete report under~~
10 ~~subsection (d) may result in the imposition of a penalty of~~
11 ~~the lesser of:~~

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

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

15 ~~(2) A penalty for a violation of subsection (a) shall be~~
16 ~~imposed, assessed and collected by the department under~~
17 ~~procedures specified in Article II. Money collected under~~
18 ~~this paragraph shall be deposited in the General Fund.~~

19 ~~(3) Failure by a municipality to include all eligible~~
20 ~~local revenue shall disqualify the municipality from the~~
21 ~~receipt of any State or local revenue.~~

22 ~~(g) Certification. By November 15 following the effective~~
23 ~~date of this section and for each November 15 thereafter, the~~
24 ~~Department of Revenue shall:~~

25 ~~(1) Determine the amount of eligible tax paid by each~~
26 ~~qualified taxpayer in the prior calendar year, which~~
27 ~~qualified taxpayer appears on a timely filed list under~~
28 ~~subsection (b) and that made a timely program report under~~
29 ~~subsection (d).~~

30 ~~(2) Determine the amount of eligible State tax refunds~~

1 ~~received less the amount of eligible State tax paid.~~

2 ~~(3) Certify to the Office of the Budget, the sum derived~~
3 ~~from adding the amounts determined under paragraphs (1) and~~
4 ~~(2).~~

5 ~~(h) Content.~~

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

7 ~~(i) Qualified taxes actually paid by qualified~~
8 ~~taxpayers in the prior calendar year.~~

9 ~~(ii) Qualified tax refunds paid to qualified~~
10 ~~taxpayers in the prior calendar year.~~

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

12 ~~(i) Qualified taxes paid by a qualified taxpayer~~
13 ~~that did not file a timely program report.~~

14 ~~(ii) Qualified taxes paid by a qualified taxpayer~~
15 ~~not appearing on the timely filed parcel list.~~

16 ~~(i) State tax liability apportionment. For the purpose of~~
17 ~~making the calculations under the certification, the qualified~~
18 ~~tax liability of a qualified taxpayer shall be apportioned to~~
19 ~~the designated parcels under section 301-A(a)(4) by multiplying~~
20 ~~the State tax liability by a fraction, the numerator of which is~~
21 ~~the property factor plus the payroll factor plus the sales~~
22 ~~factor and the denominator of which is three, in accordance with~~
23 ~~the following:~~

24 ~~(1) The property factor is a fraction, the numerator of~~
25 ~~which is the average value of the qualified taxpayers' real~~
26 ~~and tangible personal property owned or rented and used in~~
27 ~~the designated parcels during the tax period and the~~
28 ~~denominator of which is the average value of all the~~
29 ~~qualified business' real and tangible personal property owned~~
30 ~~or rented and used in this Commonwealth during the tax period~~

~~but shall not include the security interest of any corporation as seller or lessor in personal property sold or leased under a conditional sale, bailment lease, chattel mortgage or other contract providing for the retention of a lien or title as security for the sale price of the property.~~

~~(2) The following apply:~~

~~(i) The payroll factor is a fraction, the numerator of which is the total amount paid in the designated parcels during the tax period by the qualified taxpayer for compensation and the denominator of which is the total compensation paid in this Commonwealth during the tax period.~~

~~(ii) Compensation is paid in the designated parcels if:~~

~~(A) the person's service is performed entirely within the designated parcels;~~

~~(B) the person's service is performed both within and without the designated parcels, but the service performed without the designated parcels is incidental to the person's service within the designated parcels; or~~

~~(C) some of the service is performed in the designated parcels and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the designated parcels, or the base of operations or the place from which the service is directed or controlled is not in any location in which some part of the service is performed, but the person's residence is in the designated parcels.~~

1 ~~(3) The sales factor is a fraction, the numerator of~~
2 ~~which is the total sales of the qualified taxpayer in the~~
3 ~~designated parcels during the tax period and the denominator~~
4 ~~of which is the total sales of the taxpayer in this~~
5 ~~Commonwealth during the tax period.~~

6 ~~(i) Sales of tangible personal property are in the~~
7 ~~designated parcels if the property is delivered or~~
8 ~~shipped to a purchaser that takes possession within the~~
9 ~~designated parcels regardless of the F.O.B. point or~~
10 ~~other conditions of the sale.~~

11 ~~(ii) Sales other than sales of tangible personal~~
12 ~~property are in the designated parcels if:~~

13 ~~(A) the income producing activity is performed~~
14 ~~in the designated parcels; or~~

15 ~~(B) the income producing activity is performed~~
16 ~~both within and without the designated parcels and a~~
17 ~~greater proportion of the income producing activity~~
18 ~~is performed in the designated parcels than in any~~
19 ~~other location, based on costs of performance.~~

20 ~~(j) Transfer. Within 10 days of receiving the certification~~
21 ~~from the Department of Revenue, the Office of the Budget shall~~
22 ~~direct the State Treasurer to transfer the amount of certified~~
23 ~~qualified tax from the General Fund to each special fund~~
24 ~~established for the benefit of a qualified authority under~~
25 ~~section 302-A.~~

26 ~~(k) State Treasurer. Within 10 days of receiving direction~~
27 ~~under subsection (j), the State Treasurer shall pay into each~~
28 ~~special fund established under section 302-A the amount directed~~
29 ~~to the respective authority for use only as provided under~~
30 ~~section 303-A(a).~~

1 ~~Section 302 A. Special funds.~~

2 ~~(a) Notice. Following the approval of an application under~~
3 ~~section 301 A, a qualified authority shall notify the State~~
4 ~~Treasurer and create a special fund to be known as the~~
5 ~~Remediation Fund.~~

6 ~~(b) Establishment. Upon receipt of notice under subsection~~
7 ~~(a), the State Treasurer shall establish for each qualified~~
8 ~~former military installation and qualified municipality having~~
9 ~~water, sewer or storm water pollution identified by the United~~
10 ~~States Environmental Protection Agency or the Department of~~
11 ~~Environmental Protection a restricted account within the special~~
12 ~~fund for the benefit of the qualified authority. Interest income~~
13 ~~derived from the investment of money in a restricted account~~
14 ~~shall be credited by the State Treasury to the restricted~~
15 ~~account.~~

16 ~~Section 303 A. Restrictions.~~

17 ~~(a) Utilization. Money transferred under section 301 A may~~
18 ~~only be utilized for a remediation project, the payment of debt~~
19 ~~service on bonds issued or refinanced for the acquisition,~~
20 ~~development, construction, including related infrastructure and~~
21 ~~site preparation, reconstruction, renovation or refinancing of~~
22 ~~remediation projects, or operational costs for the qualified~~
23 ~~authority.~~

24 ~~(b) Local effort. Money transferred to a special fund under~~
25 ~~section 301 A may not exceed 500% of the local taxes and~~
26 ~~additional money designated and transferred to the qualified~~
27 ~~authority by the local taxing authorities for the prior year.~~

28 ~~(c) Excess money.~~

29 ~~(1) If the amount of money transferred to a fund in any~~
30 ~~one calendar year exceeds the money utilized under this~~

~~section in that calendar year, the qualified authority shall submit by April 15 following the end of the calendar year the excess money to the State Treasurer for deposit into the General Fund.~~

~~(2) At the time of submission to the State Treasurer, the contracting authority shall submit to the State Treasurer, the Office of the Budget and the Department of Revenue a detailed accounting of the calculation resulting in the excess money.~~

~~Section 304 A. Duration.~~

~~An application approved under section 301 A(a) shall be in effect for a period no later than 30 years from the effective date of this section.~~

~~Section 305 A. Qualified authority.~~

~~(a) Composition. Notwithstanding 53 Pa.C.S. § 5610(a) (relating to governing body), the governing body of a qualified authority shall be composed of the following members:~~

~~(1) One member subject to the following:~~

~~(i) If a member of the Senate has a permanent residence in the qualified municipality, the member shall be a member of the governing body.~~

~~(ii) If subparagraph (i) does not apply, the President pro tempore of the Senate shall appoint a permanent resident of the qualified municipality to the governing body.~~

~~(2) One member subject to the following:~~

~~(i) If a member of the House of Representatives has a permanent residence in the qualified municipality, the member shall be a member of the governing body.~~

~~(ii) If subparagraph (i) does not apply, the Speaker~~

~~of the House of Representatives shall appoint a permanent resident of the qualified municipality to the governing body.~~

~~(3) One permanent resident of the qualified municipality appointed by a school district which has within its geographic bounds a qualified former military installation.~~

~~(4) One permanent resident of the qualified municipality appointed by an authority established to redevelop the qualified former military installation.~~

~~(5) One permanent resident of the qualified municipality appointed by the governing body of the qualified municipality.~~

~~(b) Terms. The following shall apply:~~

~~(1) Members appointed under subsection (a) (1), (2) and (4) shall serve for a term of five years.~~

~~(2) All other members shall serve for a term of four years.~~

~~Section 4. This act shall take effect immediately.~~

SECTION 1. SECTION 102 OF THE ACT OF DECEMBER 8, 2004
(P.L.1801, NO.238), KNOWN AS THE TRANSIT REVITALIZATION
INVESTMENT DISTRICT ACT, IS AMENDED TO READ:

<--

SECTION 102. DECLARATION OF POLICY.

THE GENERAL ASSEMBLY FINDS AND DECLARES AS FOLLOWS:

(1) THE OVERALL PURPOSE AND LEGISLATIVE INTENT OF THIS ACT IS TO AUTHORIZE PUBLIC TRANSPORTATION AGENCIES THROUGHOUT THIS COMMONWEALTH TO WORK COOPERATIVELY WITH COUNTIES, LOCAL GOVERNMENTS, TRANSPORTATION AUTHORITIES, THE PRIVATE SECTOR AND THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK) AND OTHER PROVIDERS OF PUBLIC TRANSPORTATION AND PASSENGER RAIL SERVICES TO CREATE AND DESIGNATE TRANSIT REVITALIZATION

1 INVESTMENT DISTRICTS (TRIDS).

2 (2) THE SPECIFIC PURPOSES AND INTENT OF A DESIGNATED
3 TRID ARE TO:

4 (I) PROMOTE LOCAL, COUNTY AND REGIONAL ECONOMIC
5 DEVELOPMENT AND REVITALIZATION ACTIVITIES THROUGH PRIVATE
6 SECTOR INVESTMENT, REINVESTMENT AND JOINT DEVELOPMENT
7 ACTIVITIES IN CONJUNCTION WITH PUBLIC TRANSPORTATION
8 IMPROVEMENTS.

9 (II) ENCOURAGE MULTIMUNICIPAL, COOPERATIVE
10 APPROACHES TO GENERATE NEW INVESTMENT, REINVESTMENT AND
11 REVITALIZATION THROUGH TRANSIT-ORIENTED DEVELOPMENT
12 AROUND RAIL TRANSIT STATIONS AND ALONG PUBLIC
13 TRANSPORTATION CORRIDORS.

14 (III) INCREASE OVERALL RIDERSHIP ON PUBLIC
15 TRANSPORTATION SYSTEMS, INCLUDING AMTRAK, WHILE
16 GENERATING ADDITIONAL REVENUES FOR CURRENT AND EXPANDED
17 SERVICES, CAPITAL IMPROVEMENTS AND RELATED ONGOING
18 MAINTENANCE.

19 (IV) ENCOURAGE AND SUPPORT MUNICIPAL AND
20 MULTIMUNICIPAL COMPREHENSIVE PLAN IMPLEMENTATION,
21 INCLUDING CONSISTENCY OF PLANS AT THE LOCAL, COUNTY AND
22 REGIONAL LEVELS.

23 (V) STIMULATE PUBLIC-PRIVATE PARTNERSHIPS CREATED BY
24 PROSPECTIVE DEVELOPMENT OPPORTUNITIES AROUND, WITHIN OR
25 ADJACENT TO THE TRANSIT SYSTEM, STATION AREAS AND TRANSIT
26 SYSTEM COMPONENTS.

27 (VI) ESTABLISH APPROPRIATE MECHANISMS TO CAPTURE THE
28 REAL ESTATE TAXATION AND OTHER VALUES ADDED BY JOINT
29 DEVELOPMENT ACTIVITIES FOR REINVESTMENT IN THE TRANSIT
30 SYSTEM AND LOCAL COMMUNITIES.

1 (VII) ENCOURAGE GREATER COMMUNITY INVOLVEMENT IN
2 TRID LOCATION, DESIGN AND IMPLEMENTATION AND RESULTING
3 INVESTMENT ACTIVITIES.

4 (VIII) PROMOTE FLEXIBLE, COOPERATIVE, COORDINATED
5 AND ENHANCED SUPPORT FOR INNOVATIVE, INTERMODAL SOLUTIONS
6 IN TRID DEVELOPMENT AND IMPLEMENTATION ACTIVITIES BY
7 MUNICIPAL OFFICIALS, PUBLIC AGENCIES, NONPROFIT
8 ORGANIZATIONS AND THE PRIVATE SECTOR.

9 (IX) SUPPORT TRID IMPLEMENTATION BY MAXIMIZING USE
10 OF EXISTING FEDERAL AND STATE LAWS AND PROGRAMS THAT ARE
11 CONSISTENT WITH THE PURPOSES OF THIS ACT.

12 (3) THERE IS A LACK OF FUNDING AND KNOWLEDGE RELATING TO
13 REMEDICATION NEEDED AT MILITARY INSTALLATIONS TO ADDRESS PFAS
14 CONTAMINATION, AND THERE IS A NEED TO PROVIDE FOR PROPER
15 INFRASTRUCTURE IN THE WATER SYSTEMS ON MILITARY INSTALLATIONS
16 AND SURROUNDING PARCELS.

17 SECTION 2. SECTION 103 OF THE ACT IS AMENDED BY ADDING
18 DEFINITIONS TO READ:

19 SECTION 103. DEFINITIONS.

20 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
21 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
22 CONTEXT CLEARLY INDICATES OTHERWISE:

23 * * *

24 "DETERIORATED PROPERTY." THE TERM SHALL HAVE THE SAME
25 MEANING AS IN SECTION 103 OF THE ACT OF OCTOBER 6, 1998
26 (P.L.705, NO.92), KNOWN AS THE KEYSTONE OPPORTUNITY ZONE,
27 KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY
28 IMPROVEMENT ZONE ACT.

29 * * *

30 "MILITARY INSTALLATION REMEDIATION PROJECT." ANY OF THE

1 FOLLOWING:

2 (1) THE COST OF REMEDIATION RELATING TO PERFLUORINATED
3 COMPOUNDS PRESENT IN DRINKING WATER RELATED TO THE PRESENCE
4 OF A QUALIFIED FORMER MILITARY INSTALLATION.

5 (2) THE TRANSPORTATION INFRASTRUCTURE AND ECONOMIC
6 DEVELOPMENT COSTS WITHIN A QUALIFIED MUNICIPALITY TO
7 ENCOURAGE REDEVELOPMENT OF THE QUALIFIED FORMER MILITARY
8 INSTALLATION.

9 * * *

10 "QUALIFIED AUTHORITY." A MUNICIPAL AUTHORITY ESTABLISHED
11 UNDER 53 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES)
12 AFTER THE EFFECTIVE DATE OF THIS DEFINITION BY A QUALIFIED
13 MUNICIPALITY FOR THE PURPOSE OF ISSUING GRANTS FOR A MILITARY
14 INSTALLATION REMEDIATION PROJECT.

15 "QUALIFIED FORMER MILITARY INSTALLATION." A PARCEL THAT WAS
16 PREVIOUSLY USED BY A BRANCH OF THE UNITED STATES ARMED FORCES
17 FOR A MILITARY INSTALLATION THAT WAS CLOSED BASED ON THE
18 RECOMMENDATION OF THE DEFENSE BASE CLOSURE AND REALIGNMENT
19 COMMISSION NO MORE THAN 15 YEARS PRIOR TO THE EFFECTIVE DATE OF
20 THIS DEFINITION.

21 "QUALIFIED MUNICIPALITY." A MUNICIPALITY WHICH HAS WITHIN
22 ITS GEOGRAPHIC BOUNDS A QUALIFIED FORMER MILITARY INSTALLATION.

23 "QUALIFIED TAX." ALL OF THE FOLLOWING:

24 (1) CORPORATE NET INCOME TAX, BANK SHARES TAX, PERSONAL
25 INCOME TAX PAID BY SHAREHOLDERS, MEMBERS OR PARTNERS OF
26 SUBCHAPTER S CORPORATIONS, LIMITED LIABILITY COMPANIES,
27 PARTNERSHIPS OR AMOUNTS PAID BY SOLE PROPRIETORS ON INCOME
28 OTHER THAN PASSIVE ACTIVITY INCOME AS DEFINED UNDER SECTION
29 469 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-516,
30 26 U.S.C. § 1 ET SEQ.), CALCULATED AND APPORTIONED AS TO THE

1 AMOUNT ATTRIBUTABLE TO THE LOCATION WITHIN A QUALIFIED FORMER
2 MILITARY INSTALLATION.

3 (2) SALES AND USE TAX, ONLY TO THE EXTENT THE TAX IS
4 RELATED TO THE ACTIVITY OF A QUALIFIED BUSINESS WITHIN A
5 QUALIFIED FORMER MILITARY INSTALLATION. THE TERM INCLUDES
6 SALES AND USE TAXES ON MATERIAL USED FOR CONSTRUCTION IN A
7 QUALIFIED FORMER MILITARY INSTALLATION AND BUSINESS PERSONAL
8 PROPERTY TO BE USED BY A QUALIFIED BUSINESS IN A QUALIFIED
9 FORMER MILITARY INSTALLATION.

10 (3) PERSONAL INCOME TAX WITHHELD FROM EMPLOYEES BY A
11 QUALIFIED BUSINESS FOR WORK PERFORMED IN A QUALIFIED FORMER
12 MILITARY INSTALLATION.

13 (4) REALTY TRANSFER TAX PAID TO THE COMMONWEALTH, FOR
14 PROPERTY PURCHASED WITHIN A QUALIFIED FORMER MILITARY
15 INSTALLATION.

16 (5) LOCAL TAXES DESIGNATED BY A LOCAL TAXING ENTITY.
17 THE TERM DOES NOT INCLUDE A CIGARETTE TAX.

18 "QUALIFIED TAXPAYER." A PERSON CONDUCTING BUSINESS FOR
19 PROFIT IN A PARCEL DESIGNATED UNDER SECTION 301-A(A) (4) OR AN
20 INDIVIDUAL WHOSE PRIMARY RESIDENCE IS IN A PARCEL DESIGNATED
21 UNDER SECTION 301-A(A) (4). THE TERM DOES NOT INCLUDE A PERSON
22 CONDUCTING BUSINESS FOR PROFIT THAT MOVED OPERATIONS FROM A NON-
23 DESIGNATED PARCEL TO THE DESIGNATED PARCEL.

24 * * *

25 "TAX REFORM CODE OF 1971." THE ACT OF MARCH 4, 1971 (P.L.6,
26 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

27 * * *

28 SECTION 3. THE ACT IS AMENDED BY ADDING A CHAPTER TO READ:

29 CHAPTER 3-A

30 MILITARY INSTALLATION REMEDIATION

1 SECTION 301-A. MILITARY INSTALLATION REMEDIATION PROGRAM.

2 (A) APPLICATIONS.--

3 (1) A QUALIFIED AUTHORITY SHALL SUBMIT AN APPLICATION TO
4 THE DEPARTMENT OF REVENUE WITH A LIST OF PARCELS. THE LIST
5 MAY INCLUDE THE FOLLOWING:

6 (I) A QUALIFIED FORMER MILITARY INSTALLATION.

7 (II) A PARCEL IN THE QUALIFIED MUNICIPALITY WHICH
8 WAS PREVIOUSLY SUBJECT TO DEVELOPMENT RESTRICTIONS DUE TO
9 THE PRESENCE OF THE QUALIFIED FORMER MILITARY
10 INSTALLATION.

11 (III) NO MORE THAN 100 ACRES OF PARCELS IN THE
12 QUALIFIED MUNICIPALITY WHICH ARE DETERIORATED.

13 (2) THE APPLICATION SHALL INCLUDE A COPY OF THE
14 DEVELOPMENT PLAN, RELEVANT GEOGRAPHIC DATA, PARCEL NUMBERS
15 AND AN ECONOMIC IMPACT REPORT CONTAINING POTENTIAL STATE AND
16 LOCAL REVENUE IMPACT AND SUCH ADDITIONAL INFORMATION AS
17 PROSCRIBED BY THE DEPARTMENT OF REVENUE.

18 (3) THE APPLICATION SHALL INCLUDE A CERTIFICATE FROM THE
19 LOCAL GOVERNING BOARDS THAT APPROVES DESIGNATING LOCAL TAXES
20 TO BE PART OF THE QUALIFIED TAXES.

21 (4) PARCELS INCLUDED WITHIN APPLICATIONS THAT MEET
22 DEPARTMENT OF REVENUE CRITERIA SHALL RECEIVE FULL DESIGNATION
23 FOR THE PROGRAM DESCRIBED IN THIS SECTION.

24 (B) LIST.--BY JUNE 1 FOLLOWING THE EFFECTIVE DATE OF THIS
25 SECTION AND FOR EACH JUNE 1 THEREAFTER, A QUALIFIED AUTHORITY
26 SHALL FILE WITH THE DEPARTMENT OF REVENUE A LIST OF ALL
27 QUALIFIED TAXPAYERS LOCATED IN PARCELS DESIGNATED UNDER
28 SUBSECTION (A) FOR THE PRIOR CALENDAR YEAR.

29 (C) CONTENTS.--THE LIST UNDER SUBSECTION (B) SHALL INCLUDE
30 ALL BUSINESSES AND RESIDENTS LOCATED IN OR RESIDING IN THE

1 DESIGNATED PARCELS AND ALL BUSINESSES ENGAGED IN ACQUISITION,
2 DEVELOPMENT AND CONSTRUCTION IN DESIGNATED PARCELS DURING THE
3 PRIOR CALENDAR YEAR. THE LIST SHALL INCLUDE FOR EACH BUSINESS
4 THE ADDRESS, THE NAMES OF THE BUSINESS OWNERS OR CORPORATE
5 OFFICERS, STATE TAX IDENTIFICATION NUMBER AND PARCEL NUMBER AND
6 A MAP WITH PARCEL NUMBERS.

7 (D) TIME.--IF THE LIST UNDER SUBSECTION (B) IS NOT TIMELY
8 PROVIDED TO THE DEPARTMENT OF REVENUE, NO ELIGIBLE TAX MAY BE
9 CERTIFIED BY THE DEPARTMENT OF REVENUE FOR THE PURPOSE OF THE
10 TRANSFER UNDER SUBSECTION (J) FOR THE CALENDAR YEAR.

11 (E) PARCEL REPORT.--NO LATER THAN JUNE 15 FOLLOWING THE
12 EFFECTIVE DATE OF THIS SECTION AND FOR EACH JUNE 15 THEREAFTER,
13 EACH QUALIFIED TAXPAYER SHALL FILE A PROGRAM REPORT WITH THE
14 DEPARTMENT OF REVENUE IN A FORM OR MANNER REQUIRED BY THE
15 DEPARTMENT THAT INCLUDES ALL OF THE FOLLOWING:

16 (1) THE AMOUNT OF EACH QUALIFIED TAX PAID TO THE
17 COMMONWEALTH BY THE QUALIFIED TAXPAYER IN THE PRIOR CALENDAR
18 YEAR.

19 (2) THE AMOUNT OF EACH QUALIFIED TAX REFUND RECEIVED
20 FROM THE COMMONWEALTH IN THE PRIOR CALENDAR YEAR BY THE
21 QUALIFIED TAXPAYER.

22 (F) PENALTIES.--

23 (1) FAILURE TO FILE A TIMELY AND COMPLETE REPORT UNDER
24 SUBSECTION (E) MAY RESULT IN THE IMPOSITION OF A PENALTY OF
25 THE LESSER OF:

26 (I) TEN PERCENT OF ALL ELIGIBLE TAX DUE THE TAXING
27 AUTHORITY IN THE PRIOR CALENDAR YEAR; OR

28 (II) ONE THOUSAND DOLLARS.

29 (2) A PENALTY FOR A VIOLATION OF SUBSECTION (E) SHALL BE
30 IMPOSED, ASSESSED AND COLLECTED BY THE DEPARTMENT UNDER

1 PROCEDURES SPECIFIED IN ARTICLE II OF THE TAX REFORM CODE OF
2 1971. MONEY COLLECTED UNDER THIS PARAGRAPH SHALL BE DEPOSITED
3 IN THE GENERAL FUND.

4 (3) FAILURE BY A MUNICIPALITY TO INCLUDE ALL ELIGIBLE
5 LOCAL REVENUE SHALL DISQUALIFY THE MUNICIPALITY FROM THE
6 RECEIPT OF ANY STATE OR LOCAL REVENUE.

7 (G) CERTIFICATION.--BY NOVEMBER 15 FOLLOWING THE EFFECTIVE
8 DATE OF THIS SECTION AND FOR EACH NOVEMBER 15 THEREAFTER, THE
9 DEPARTMENT OF REVENUE SHALL:

10 (1) DETERMINE THE AMOUNT OF ELIGIBLE TAX PAID BY EACH
11 QUALIFIED TAXPAYER IN THE PRIOR CALENDAR YEAR, WHICH
12 QUALIFIED TAXPAYER APPEARS ON A TIMELY FILED LIST UNDER
13 SUBSECTION (B) AND THAT MADE A TIMELY PROGRAM REPORT UNDER
14 SUBSECTION (E).

15 (2) DETERMINE THE AMOUNT OF ELIGIBLE STATE TAX REFUNDS
16 RECEIVED LESS THE AMOUNT OF ELIGIBLE STATE TAX PAID.

17 (3) CERTIFY TO THE OFFICE OF THE BUDGET, THE SUM DERIVED
18 FROM ADDING THE AMOUNTS DETERMINED UNDER PARAGRAPHS (1) AND
19 (2).

20 (H) CONTENT.--

21 (1) THE CERTIFICATION MAY INCLUDE THE FOLLOWING:

22 (I) QUALIFIED TAXES ACTUALLY PAID BY QUALIFIED
23 TAXPAYERS IN THE PRIOR CALENDAR YEAR.

24 (II) QUALIFIED TAX REFUNDS PAID TO QUALIFIED
25 TAXPAYERS IN THE PRIOR CALENDAR YEAR.

26 (2) THE CERTIFICATION SHALL NOT INCLUDE THE FOLLOWING:

27 (I) QUALIFIED TAXES PAID BY A QUALIFIED TAXPAYER
28 THAT DID NOT FILE A TIMELY PROGRAM REPORT.

29 (II) QUALIFIED TAXES PAID BY A QUALIFIED TAXPAYER
30 NOT APPEARING ON THE TIMELY FILED PARCEL LIST.

1 (I) STATE TAX LIABILITY APPORTIONMENT.--FOR THE PURPOSE OF
2 MAKING THE CALCULATIONS UNDER THE CERTIFICATION, THE QUALIFIED
3 TAX LIABILITY OF A QUALIFIED TAXPAYER SHALL BE APPORTIONED TO
4 THE DESIGNATED PARCELS UNDER SECTION 301-A(A) (4) BY MULTIPLYING
5 THE STATE TAX LIABILITY BY A FRACTION, THE NUMERATOR OF WHICH IS
6 THE PROPERTY FACTOR PLUS THE PAYROLL FACTOR PLUS THE SALES
7 FACTOR AND THE DENOMINATOR OF WHICH IS THREE, IN ACCORDANCE WITH
8 THE FOLLOWING:

9 (1) THE PROPERTY FACTOR IS A FRACTION, THE NUMERATOR OF
10 WHICH IS THE AVERAGE VALUE OF THE QUALIFIED TAXPAYERS' REAL
11 AND TANGIBLE PERSONAL PROPERTY OWNED OR RENTED AND USED IN
12 THE DESIGNATED PARCELS DURING THE TAX PERIOD AND THE
13 DENOMINATOR OF WHICH IS THE AVERAGE VALUE OF ALL THE
14 QUALIFIED BUSINESS' REAL AND TANGIBLE PERSONAL PROPERTY OWNED
15 OR RENTED AND USED IN THIS COMMONWEALTH DURING THE TAX PERIOD
16 BUT SHALL NOT INCLUDE THE SECURITY INTEREST OF ANY
17 CORPORATION AS SELLER OR LESSOR IN PERSONAL PROPERTY SOLD OR
18 LEASED UNDER A CONDITIONAL SALE, BAILMENT LEASE, CHATTEL
19 MORTGAGE OR OTHER CONTRACT PROVIDING FOR THE RETENTION OF A
20 LIEN OR TITLE AS SECURITY FOR THE SALE PRICE OF THE PROPERTY.

21 (2) THE FOLLOWING APPLY:

22 (I) THE PAYROLL FACTOR IS A FRACTION, THE NUMERATOR
23 OF WHICH IS THE TOTAL AMOUNT PAID IN THE DESIGNATED
24 PARCELS DURING THE TAX PERIOD BY THE QUALIFIED TAXPAYER
25 FOR COMPENSATION AND THE DENOMINATOR OF WHICH IS THE
26 TOTAL COMPENSATION PAID IN THIS COMMONWEALTH DURING THE
27 TAX PERIOD.

28 (II) COMPENSATION IS PAID IN THE DESIGNATED PARCELS

29 IF:

30 (A) THE PERSON'S SERVICE IS PERFORMED ENTIRELY

1 WITHIN THE DESIGNATED PARCELS;

2 (B) THE PERSON'S SERVICE IS PERFORMED BOTH
3 WITHIN AND WITHOUT THE DESIGNATED PARCELS, BUT THE
4 SERVICE PERFORMED WITHOUT THE DESIGNATED PARCELS IS
5 INCIDENTAL TO THE PERSON'S SERVICE WITHIN THE
6 DESIGNATED PARCELS; OR

7 (C) SOME OF THE SERVICE IS PERFORMED IN THE
8 DESIGNATED PARCELS AND THE BASE OF OPERATIONS OR, IF
9 THERE IS NO BASE OF OPERATIONS, THE PLACE FROM WHICH
10 THE SERVICE IS DIRECTED OR CONTROLLED IS IN THE
11 DESIGNATED PARCELS, OR THE BASE OF OPERATIONS OR THE
12 PLACE FROM WHICH THE SERVICE IS DIRECTED OR
13 CONTROLLED IS NOT IN ANY LOCATION IN WHICH SOME PART
14 OF THE SERVICE IS PERFORMED, BUT THE PERSON'S
15 RESIDENCE IS IN THE DESIGNATED PARCELS.

16 (3) THE SALES FACTOR IS A FRACTION, THE NUMERATOR OF
17 WHICH IS THE TOTAL SALES OF THE QUALIFIED TAXPAYER IN THE
18 DESIGNATED PARCELS DURING THE TAX PERIOD AND THE DENOMINATOR
19 OF WHICH IS THE TOTAL SALES OF THE TAXPAYER IN THIS
20 COMMONWEALTH DURING THE TAX PERIOD.

21 (I) SALES OF TANGIBLE PERSONAL PROPERTY ARE IN THE
22 DESIGNATED PARCELS IF THE PROPERTY IS DELIVERED OR
23 SHIPPED TO A PURCHASER THAT TAKES POSSESSION WITHIN THE
24 DESIGNATED PARCELS REGARDLESS OF THE F.O.B. POINT OR
25 OTHER CONDITIONS OF THE SALE.

26 (II) SALES OTHER THAN SALES OF TANGIBLE PERSONAL
27 PROPERTY ARE IN THE DESIGNATED PARCELS IF:

28 (A) THE INCOME-PRODUCING ACTIVITY IS PERFORMED
29 IN THE DESIGNATED PARCELS; OR

30 (B) THE INCOME-PRODUCING ACTIVITY IS PERFORMED

1 BOTH WITHIN AND WITHOUT THE DESIGNATED PARCELS AND A
2 GREATER PROPORTION OF THE INCOME-PRODUCING ACTIVITY
3 IS PERFORMED IN THE DESIGNATED PARCELS THAN IN ANY
4 OTHER LOCATION, BASED ON COSTS OF PERFORMANCE.

5 (J) TRANSFER.--WITHIN 10 DAYS OF RECEIVING THE CERTIFICATION
6 FROM THE DEPARTMENT OF REVENUE, THE OFFICE OF THE BUDGET SHALL
7 DIRECT THE STATE TREASURER TO TRANSFER THE AMOUNT OF CERTIFIED
8 QUALIFIED TAX FROM THE GENERAL FUND TO EACH SPECIAL FUND
9 ESTABLISHED FOR THE BENEFIT OF A QUALIFIED AUTHORITY UNDER
10 SECTION 302-A.

11 (K) STATE TREASURER.--WITHIN 10 DAYS OF RECEIVING DIRECTION
12 UNDER SUBSECTION (J), THE STATE TREASURER SHALL PAY INTO EACH
13 SPECIAL FUND ESTABLISHED UNDER SECTION 302-A THE AMOUNT DIRECTED
14 TO THE RESPECTIVE AUTHORITY FOR USE ONLY AS PROVIDED UNDER
15 SECTION 303-A(A).

16 SECTION 302-A. SPECIAL FUNDS.

17 (A) NOTICE.--FOLLOWING THE APPROVAL OF AN APPLICATION UNDER
18 SECTION 301-A, A QUALIFIED AUTHORITY SHALL NOTIFY THE STATE
19 TREASURER AND CREATE A SPECIAL FUND TO BE KNOWN AS THE MILITARY
20 INSTALLATION REMEDIATION FUND.

21 (B) ESTABLISHMENT.--UPON RECEIPT OF NOTICE UNDER SUBSECTION
22 (A), THE STATE TREASURER SHALL ESTABLISH FOR EACH QUALIFIED
23 FORMER MILITARY INSTALLATION A RESTRICTED ACCOUNT WITHIN THE
24 SPECIAL FUND FOR THE BENEFIT OF THE QUALIFIED AUTHORITY.

25 INTEREST INCOME DERIVED FROM THE INVESTMENT OF MONEY IN A
26 RESTRICTED ACCOUNT SHALL BE CREDITED BY THE STATE TREASURY TO
27 THE RESTRICTED ACCOUNT.

28 SECTION 303-A. RESTRICTIONS.

29 (A) UTILIZATION.--MONEY TRANSFERRED UNDER SECTION 301-A MAY
30 ONLY BE UTILIZED FOR A MILITARY INSTALLATION REMEDIATION

1 PROJECT, THE PAYMENT OF DEBT SERVICE ON BONDS ISSUED OR
2 REFINANCED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION,
3 INCLUDING RELATED INFRASTRUCTURE AND SITE PREPARATION,
4 RECONSTRUCTION, RENOVATION OR REFINANCING OF MILITARY
5 INSTALLATION REMEDIATION PROJECTS, OR OPERATIONAL COSTS FOR THE
6 QUALIFIED AUTHORITY.

7 (B) LOCAL EFFORT.--MONEY TRANSFERRED TO A SPECIAL FUND UNDER
8 SECTION 301-A MAY NOT EXCEED 500% OF THE LOCAL TAXES AND
9 ADDITIONAL MONEY DESIGNATED AND TRANSFERRED TO THE QUALIFIED
10 AUTHORITY BY THE LOCAL TAXING AUTHORITIES FOR THE PRIOR YEAR.

11 (C) EXCESS MONEY.--

12 (1) IF THE AMOUNT OF MONEY TRANSFERRED TO A FUND IN ANY
13 ONE CALENDAR YEAR EXCEEDS THE MONEY UTILIZED UNDER THIS
14 SECTION IN THAT CALENDAR YEAR, THE QUALIFIED AUTHORITY SHALL
15 SUBMIT BY APRIL 15 FOLLOWING THE END OF THE CALENDAR YEAR THE
16 EXCESS MONEY TO THE STATE TREASURER FOR DEPOSIT INTO THE
17 GENERAL FUND.

18 (2) AT THE TIME OF SUBMISSION TO THE STATE TREASURER,
19 THE CONTRACTING AUTHORITY SHALL SUBMIT TO THE STATE
20 TREASURER, THE OFFICE OF THE BUDGET AND THE DEPARTMENT OF
21 REVENUE A DETAILED ACCOUNTING OF THE CALCULATION RESULTING IN
22 THE EXCESS MONEY.

23 SECTION 304-A. DURATION.

24 AN APPLICATION APPROVED UNDER SECTION 301-A(A) SHALL BE IN
25 EFFECT FOR A PERIOD NO LATER THAN 30 YEARS FROM THE EFFECTIVE
26 DATE OF THIS SECTION.

27 SECTION 305-A. QUALIFIED AUTHORITY.

28 (A) COMPOSITION.--NOTWITHSTANDING 53 PA.C.S. § 5610(A)
29 (RELATING TO GOVERNING BODY), THE GOVERNING BODY OF A QUALIFIED
30 AUTHORITY SHALL BE COMPOSED OF THE FOLLOWING MEMBERS:

1 (1) ONE MEMBER SUBJECT TO THE FOLLOWING:

2 (I) IF A MEMBER OF THE SENATE HAS A PERMANENT
3 RESIDENCE IN THE QUALIFIED MUNICIPALITY, THE MEMBER SHALL
4 BE A MEMBER OF THE GOVERNING BODY.

5 (II) IF SUBPARAGRAPH (I) DOES NOT APPLY, THE
6 PRESIDENT PRO TEMPORE OF THE SENATE SHALL APPOINT A
7 PERMANENT RESIDENT OF THE QUALIFIED MUNICIPALITY TO THE
8 GOVERNING BODY.

9 (2) ONE MEMBER SUBJECT TO THE FOLLOWING:

10 (I) IF A MEMBER OF THE HOUSE OF REPRESENTATIVES HAS
11 A PERMANENT RESIDENCE IN THE QUALIFIED MUNICIPALITY, THE
12 MEMBER SHALL BE A MEMBER OF THE GOVERNING BODY.

13 (II) IF SUBPARAGRAPH (I) DOES NOT APPLY, THE SPEAKER
14 OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT A PERMANENT
15 RESIDENT OF THE QUALIFIED MUNICIPALITY TO THE GOVERNING
16 BODY.

17 (3) ONE PERMANENT RESIDENT OF THE QUALIFIED MUNICIPALITY
18 APPOINTED BY A SCHOOL DISTRICT WHICH HAS WITHIN ITS
19 GEOGRAPHIC BOUNDS A QUALIFIED FORMER MILITARY INSTALLATION.

20 (4) ONE PERMANENT RESIDENT OF THE QUALIFIED MUNICIPALITY
21 APPOINTED BY AN AUTHORITY ESTABLISHED TO REDEVELOP THE
22 QUALIFIED FORMER MILITARY INSTALLATION.

23 (5) ONE PERMANENT RESIDENT OF THE QUALIFIED MUNICIPALITY
24 APPOINTED BY THE GOVERNING BODY OF THE QUALIFIED
25 MUNICIPALITY.

26 (B) TERMS.--THE FOLLOWING SHALL APPLY:

27 (1) MEMBERS APPOINTED UNDER SUBSECTION (A) (1), (2) AND
28 (4) SHALL SERVE FOR A TERM OF FIVE YEARS.

29 (2) ALL OTHER MEMBERS SHALL SERVE FOR A TERM OF FOUR
30 YEARS.

1 SECTION 4. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.