

AMENDMENTS TO HOUSE BILL NO. 2638

Sponsor: SENATOR RAFFERTY

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1 Amend Bill, page 1, lines 18 through 23, by striking out "in
2 general" in line 18 and all of lines 19 through 23 and inserting
3 in general provisions, further providing for declaration of
4 policy and for definitions; and providing for military
5 installation remediation and for the establishment of the
6 Military Installation Remediation Fund.

7 Amend Bill, page 1, lines 26 through 28; pages 2 through 14,
8 lines 1 through 30; by striking out all of said lines on said
9 pages and inserting

10 Section 1. Section 102 of the act of December 8, 2004
11 (P.L.1801, No.238), known as the Transit Revitalization
12 Investment District Act, is amended to read:
13 Section 102. Declaration of policy.

14 The General Assembly finds and declares as follows:

15 (1) The overall purpose and legislative intent of this
16 act is to authorize public transportation agencies throughout
17 this Commonwealth to work cooperatively with counties, local
18 governments, transportation authorities, the private sector
19 and the National Railroad Passenger Corporation (AMTRAK) and
20 other providers of public transportation and passenger rail
21 services to create and designate Transit Revitalization
22 Investment Districts (TRIDs).

23 (2) The specific purposes and intent of a designated
24 TRID are to:

25 (i) Promote local, county and regional economic
26 development and revitalization activities through private
27 sector investment, reinvestment and joint development
28 activities in conjunction with public transportation
29 improvements.

30 (ii) Encourage multimunicipal, cooperative
31 approaches to generate new investment, reinvestment and
32 revitalization through transit-oriented development
33 around rail transit stations and along public
34 transportation corridors.

35 (iii) Increase overall ridership on public

1 transportation systems, including AMTRAK, while
2 generating additional revenues for current and expanded
3 services, capital improvements and related ongoing
4 maintenance.

5 (iv) Encourage and support municipal and
6 multimunicipal comprehensive plan implementation,
7 including consistency of plans at the local, county and
8 regional levels.

9 (v) Stimulate public-private partnerships created by
10 prospective development opportunities around, within or
11 adjacent to the transit system, station areas and transit
12 system components.

13 (vi) Establish appropriate mechanisms to capture the
14 real estate taxation and other values added by joint
15 development activities for reinvestment in the transit
16 system and local communities.

17 (vii) Encourage greater community involvement in
18 TRID location, design and implementation and resulting
19 investment activities.

20 (viii) Promote flexible, cooperative, coordinated
21 and enhanced support for innovative, intermodal solutions
22 in TRID development and implementation activities by
23 municipal officials, public agencies, nonprofit
24 organizations and the private sector.

25 (ix) Support TRID implementation by maximizing use
26 of existing Federal and State laws and programs that are
27 consistent with the purposes of this act.

28 (3) There is a lack of funding and knowledge relating to
29 remediation needed at military installations to address PFAS
30 contamination, and there is a need to provide for proper
31 infrastructure in the water systems on military installations
32 and surrounding parcels.

33 Section 2. Section 103 of the act is amended by adding
34 definitions to read:

35 Section 103. Definitions.

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

39 * * *

40 "Deteriorated property." The term shall have the same
41 meaning as in section 103 of the act of October 6, 1998
42 (P.L.705, No.92), known as the Keystone Opportunity Zone,
43 Keystone Opportunity Expansion Zone and Keystone Opportunity
44 Improvement Zone Act.

45 * * *

46 "Military installation remediation project." Any of the
47 following:

48 (1) The cost of remediation relating to perfluorinated
49 compounds present in drinking water related to the presence
50 of a qualified former military installation.

51 (2) The transportation infrastructure and economic

1 development costs within a qualified municipality to
2 encourage redevelopment of the qualified former military
3 installation.

4 * * *

5 "Qualified authority." A municipal authority established
6 under 53 Pa.C.S. Ch. 56 (relating to municipal authorities)
7 after the effective date of this definition by a qualified
8 municipality for the purpose of issuing grants for a military
9 installation remediation project.

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

16 "Qualified municipality." A municipality which has within
17 its geographic bounds a qualified former military installation.

18 "Qualified tax." All of the following:

19 (1) Corporate net income tax, bank shares tax, personal
20 income tax paid by shareholders, members or partners of
21 Subchapter S corporations, limited liability companies,
22 partnerships or amounts paid by sole proprietors on income
23 other than passive activity income as defined under section
24 469 of the Internal Revenue Code of 1986 (Public Law 99-516,
25 26 U.S.C. § 1 et seq.), calculated and apportioned as to the
26 amount attributable to the location within a qualified former
27 military installation.

28 (2) Sales and use tax, only to the extent the tax is
29 related to the activity of a qualified business within a
30 qualified former military installation. The term includes
31 sales and use taxes on material used for construction in a
32 qualified former military installation and business personal
33 property to be used by a qualified business in a qualified
34 former military installation.

35 (3) Personal income tax withheld from employees by a
36 qualified business for work performed in a qualified former
37 military installation.

38 (4) Realty transfer tax paid to the Commonwealth, for
39 property purchased within a qualified former military
40 installation.

41 (5) Local taxes designated by a local taxing entity.
42 The term does not include a cigarette tax.

43 "Qualified taxpayer." A person conducting business for
44 profit in a parcel designated under section 301-A(a)(4) or an
45 individual whose primary residence is in a parcel designated
46 under section 301-A(a)(4). The term does not include a person
47 conducting business for profit that moved operations from a non-
48 designated parcel to the designated parcel.

49 * * *

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

1 * * *

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

3 CHAPTER 3-A

4 MILITARY INSTALLATION REMEDIATION

5 Section 301-A. Military installation remediation program.

6 (a) Applications.--

7 (1) A qualified authority shall submit an application to
8 the Department of Revenue with a list of parcels. The list
9 may include the following:

10 (i) A qualified former military installation.

11 (ii) A parcel in the qualified municipality which
12 was previously subject to development restrictions due to
13 the presence of the qualified former military
14 installation.

15 (iii) No more than 100 acres of parcels in the
16 qualified municipality which are deteriorated.

17 (2) The application shall include a copy of the
18 development plan, relevant geographic data, parcel numbers
19 and an economic impact report containing potential State and
20 local revenue impact and such additional information as
21 proscribed by the Department of Revenue.

22 (3) The application shall include a certificate from the
23 local governing boards that approves designating local taxes
24 to be part of the qualified taxes.

25 (4) Parcels included within applications that meet
26 Department of Revenue criteria shall receive full designation
27 for the program described in this section.

28 (b) List.--By June 1 following the effective date of this
29 section and for each June 1 thereafter, a qualified authority
30 shall file with the Department of Revenue a list of all
31 qualified taxpayers located in parcels designated under
32 subsection (a) for the prior calendar year.

33 (c) Contents.--The list under subsection (b) shall include
34 all businesses and residents located in or residing in the
35 designated parcels and all businesses engaged in acquisition,
36 development and construction in designated parcels during the
37 prior calendar year. The list shall include for each business
38 the address, the names of the business owners or corporate
39 officers, State tax identification number and parcel number and
40 a map with parcel numbers.

41 (d) Time.--If the list under subsection (b) is not timely
42 provided to the Department of Revenue, no eligible tax may be
43 certified by the Department of Revenue for the purpose of the
44 transfer under subsection (j) for the calendar year.

45 (e) Parcel report.--No later than June 15 following the
46 effective date of this section and for each June 15 thereafter,
47 each qualified taxpayer shall file a program report with the
48 Department of Revenue in a form or manner required by the
49 department that includes all of the following:

50 (1) The amount of each qualified tax paid to the
51 Commonwealth by the qualified taxpayer in the prior calendar

1 year.

2 (2) The amount of each qualified tax refund received
3 from the Commonwealth in the prior calendar year by the
4 qualified taxpayer.

5 (f) Penalties.--

6 (1) Failure to file a timely and complete report under
7 subsection (e) may result in the imposition of a penalty of
8 the lesser of:

9 (i) ten percent of all eligible tax due the taxing
10 authority in the prior calendar year; or

11 (ii) one thousand dollars.

12 (2) A penalty for a violation of subsection (e) shall be
13 imposed, assessed and collected by the department under
14 procedures specified in Article II of the Tax Reform Code of
15 1971. Money collected under this paragraph shall be deposited
16 in the General Fund.

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

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

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

28 (2) Determine the amount of eligible State tax refunds
29 received less the amount of eligible State tax paid.

30 (3) Certify to the Office of the Budget, the sum derived
31 from adding the amounts determined under paragraphs (1) and
32 (2).

33 (h) Content.--

34 (1) The certification may include the following:

35 (i) Qualified taxes actually paid by qualified
36 taxpayers in the prior calendar year.

37 (ii) Qualified tax refunds paid to qualified
38 taxpayers in the prior calendar year.

39 (2) The certification shall not include the following:

40 (i) Qualified taxes paid by a qualified taxpayer
41 that did not file a timely program report.

42 (ii) Qualified taxes paid by a qualified taxpayer
43 not appearing on the timely filed parcel list.

44 (i) State tax liability apportionment.--For the purpose of
45 making the calculations under the certification, the qualified
46 tax liability of a qualified taxpayer shall be apportioned to
47 the designated parcels under section 301-A(a)(4) by multiplying
48 the State tax liability by a fraction, the numerator of which is
49 the property factor plus the payroll factor plus the sales
50 factor and the denominator of which is three, in accordance with
51 the following:

1 (1) The property factor is a fraction, the numerator of
2 which is the average value of the qualified taxpayers' real
3 and tangible personal property owned or rented and used in
4 the designated parcels during the tax period and the
5 denominator of which is the average value of all the
6 qualified business' real and tangible personal property owned
7 or rented and used in this Commonwealth during the tax period
8 but shall not include the security interest of any
9 corporation as seller or lessor in personal property sold or
10 leased under a conditional sale, bailment lease, chattel
11 mortgage or other contract providing for the retention of a
12 lien or title as security for the sale price of the property.

13 (2) The following apply:

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

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

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

24 (B) the person's service is performed both
25 within and without the designated parcels, but the
26 service performed without the designated parcels is
27 incidental to the person's service within the
28 designated parcels; or

29 (C) some of the service is performed in the
30 designated parcels and the base of operations or, if
31 there is no base of operations, the place from which
32 the service is directed or controlled is in the
33 designated parcels, or the base of operations or the
34 place from which the service is directed or
35 controlled is not in any location in which some part
36 of the service is performed, but the person's
37 residence is in the designated parcels.

38 (3) The sales factor is a fraction, the numerator of
39 which is the total sales of the qualified taxpayer in the
40 designated parcels during the tax period and the denominator
41 of which is the total sales of the taxpayer in this
42 Commonwealth during the tax period.

43 (i) Sales of tangible personal property are in the
44 designated parcels if the property is delivered or
45 shipped to a purchaser that takes possession within the
46 designated parcels regardless of the F.O.B. point or
47 other conditions of the sale.

48 (ii) Sales other than sales of tangible personal
49 property are in the designated parcels if:

50 (A) the income-producing activity is performed
51 in the designated parcels; or

1 (B) the income-producing activity is performed
2 both within and without the designated parcels and a
3 greater proportion of the income-producing activity
4 is performed in the designated parcels than in any
5 other location, based on costs of performance.

6 (j) Transfer.--Within 10 days of receiving the certification
7 from the Department of Revenue, the Office of the Budget shall
8 direct the State Treasurer to transfer the amount of certified
9 qualified tax from the General Fund to each special fund
10 established for the benefit of a qualified authority under
11 section 302-A.

12 (k) State Treasurer.--Within 10 days of receiving direction
13 under subsection (j), the State Treasurer shall pay into each
14 special fund established under section 302-A the amount directed
15 to the respective authority for use only as provided under
16 section 303-A(a).

17 Section 302-A. Special funds.

18 (a) Notice.--Following the approval of an application under
19 section 301-A, a qualified authority shall notify the State
20 Treasurer and create a special fund to be known as the Military
21 Installation Remediation Fund.

22 (b) Establishment.--Upon receipt of notice under subsection
23 (a), the State Treasurer shall establish for each qualified
24 former military installation a restricted account within the
25 special fund for the benefit of the qualified authority.
26 Interest income derived from the investment of money in a
27 restricted account shall be credited by the State Treasury to
28 the restricted account.

29 Section 303-A. Restrictions.

30 (a) Utilization.--Money transferred under section 301-A may
31 only be utilized for a military installation remediation
32 project, the payment of debt service on bonds issued or
33 refinanced for the acquisition, development, construction,
34 including related infrastructure and site preparation,
35 reconstruction, renovation or refinancing of military
36 installation remediation projects, or operational costs for the
37 qualified authority.

38 (b) Local effort.--Money transferred to a special fund under
39 section 301-A may not exceed 500% of the local taxes and
40 additional money designated and transferred to the qualified
41 authority by the local taxing authorities for the prior year.

42 (c) Excess money.--

43 (1) If the amount of money transferred to a fund in any
44 one calendar year exceeds the money utilized under this
45 section in that calendar year, the qualified authority shall
46 submit by April 15 following the end of the calendar year the
47 excess money to the State Treasurer for deposit into the
48 General Fund.

49 (2) At the time of submission to the State Treasurer,
50 the contracting authority shall submit to the State
51 Treasurer, the Office of the Budget and the Department of

1 Revenue a detailed accounting of the calculation resulting in
2 the excess money.

3 Section 304-A. Duration.

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

7 Section 305-A. Qualified authority.

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

11 (1) One member subject to the following:

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

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

19 (2) One member subject to the following:

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

23 (ii) If subparagraph (i) does not apply, the Speaker
24 of the House of Representatives shall appoint a permanent
25 resident of the qualified municipality to the governing
26 body.

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

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

33 (5) One permanent resident of the qualified municipality
34 appointed by the governing body of the qualified
35 municipality.

36 (b) Terms.--The following shall apply:

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

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

41 Section 4. This act shall take effect immediately.