

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2220 Session of
2001

INTRODUCED BY THOMAS, KENNEY, MANDERINO, J. TAYLOR, KIRKLAND,
WATERS, OLIVER, HORSEY, BISHOP, MYERS, WASHINGTON, PRESTON,
J. EVANS, YOUNGBLOOD, J. WILLIAMS, CRUZ, ROEBUCK AND JOSEPHS,
DECEMBER 10, 2001

REFERRED TO COMMITTEE ON FINANCE, DECEMBER 10, 2001

AN ACT

1 Amending the act of July 11, 1990 (P.L.465, No.113), entitled
2 "An act providing for the creation of tax increment
3 districts; providing for additional powers and duties to be
4 exercised by redevelopment authorities and by industrial and
5 commercial development authorities; authorizing the creation
6 and approval of project plans for tax increment financing;
7 providing for the establishment of a tax increment base;
8 allocating the payment of positive tax increments; providing
9 for the financing of project costs; and providing for the
10 issuance of tax increment bonds and notes," further defining
11 "finance officer," "governing body" and "school district";
12 further providing for creation of tax increment districts and
13 approval of project plans, for allocation of positive tax
14 increments, for determination of tax increment and tax
15 increment base and for financing of project costs.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 Section 1. The definitions of "finance officer," "governing
19 body" and "school district" in section 3 of the act of July 11,
20 1990 (P.L.465, No.113), known as the Tax Increment Financing
21 Act, are amended to read:

22 Section 3. Definitions.

23 The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

4 "Finance officer." The legally authorized agent of a
5 municipality [or school district] responsible by law for receipt
6 and disbursement of the revenues of the municipality [or school
7 district].

8 "Governing body." The legislative body of a municipality
9 authorized by law to levy taxes. [The term includes the board of
10 directors of a school district authorized by law to levy taxes.]

11 * * *

12 ["School district." The term includes school districts of
13 all classes as defined by the act of March 10, 1949 (P.L.30,
14 No.14), known as the Public School Code of 1949.]

15 * * *

16 Section 2. Section 5(a)(2), (4), (5) and (7) of the act,
17 amended December 16, 1992 (P.L.1240, No.164), are amended to
18 read:

19 Section 5. Creation of tax increment districts and approval of
20 project plans.

21 (a) General rule.--A tax increment district shall be created
22 in the following manner:

23 * * *

24 (2) Each affected municipality [and school district]
25 shall designate a representative to meet with the authority
26 to discuss the project plan and the tax increment financing,
27 and shall notify the authority of its designated
28 representative. The authority shall meet with the designated
29 representative to discuss the creation of the district, the
30 boundaries of the district, development within the district,

1 the tax increment that the municipality [and school district]
2 would contribute to the tax increment fund, the exclusion of
3 particular parcels of property from the district, tax
4 collection for the district and any other matter relevant to
5 the proposed tax increment district.

6 * * *

7 (4) The authority shall prepare a project plan for each
8 tax increment district and submit the plan to the governing
9 body of the municipality which will create the district and
10 to the governing body of any other municipality [or school
11 district] that levies property taxes within the boundaries of
12 the proposed district. The plan shall include the following:

13 (i) A statement listing the kind, number and
14 location of all proposed public works or improvements
15 and/or all residential, commercial or industrial
16 development and revitalization improvements.

17 (ii) An economic feasibility study of the project
18 and the fiscal effects on the municipal tax base.

19 (iii) A detailed list of estimated project costs.

20 (iv) A description of the methods of financing all
21 estimated project costs and the time when related costs
22 or monetary obligations are to be incurred.

23 (v) A map showing existing uses and conditions of
24 real property in the district.

25 (vi) A map showing proposed improvements and uses
26 therein.

27 (vii) Proposed changes of any zoning ordinance,
28 master plan, map, building code or ordinance.

29 (viii) A list of estimated nonproject costs.

30 (ix) A statement of a proposed method for the

1 relocation of families, persons and businesses to be
2 temporarily or permanently displaced from housing or
3 commercial facilities in the project area by
4 implementation of the plan.

5 (5) The governing body of the municipality which will
6 create the tax increment district shall hold at least one
7 public hearing at which interested parties are afforded a
8 reasonable opportunity to express their views on the concept
9 of tax increment financing, on the proposed creation of a tax
10 increment district and its proposed boundaries, on the
11 proposed adoption of a project plan for the district and the
12 benefits to the municipality. Notice of the hearing shall be
13 published in accordance with the terms of the act of July 3,
14 1986 (P.L.388, No.84), known as the Sunshine Act, and said
15 notice shall be provided by first class mail, postage
16 prepaid, to the governing body of any municipality [or school
17 district] that levies property taxes within the boundaries of
18 a proposed tax increment district. This notice shall be
19 provided not less than 30 days before the date of the
20 hearing.

21 * * *

22 (7) The governing body of a municipality [or school
23 district] that levies property taxes within the boundaries of
24 a proposed tax increment district shall, by ordinance or
25 resolution, agree to participate or opt not to participate in
26 whole or in part in the tax increment district. Such
27 ordinance or resolution shall be adopted and a copy thereof
28 delivered to the governing body of the municipality which
29 will create the district on or before the date on which the
30 public hearing described in paragraph (5) is held.

1 * * *

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

4 Section 6. Determination of tax increment and tax increment
5 base.

6 * * *

7 (e) Identification.--The assessor for the municipality which
8 created the district shall identify upon the assessment roll,
9 returned and examined in accordance with law, those parcels of
10 property which are within each existing tax increment district,
11 specifying the name of each district. A similar notation shall
12 also appear on the tax roll made by the finance officer for the
13 municipality creating the district and by the finance officer
14 for any municipality [or school district] that participates in a
15 tax increment district.

16 Section 7. Allocation of positive tax increments.

17 * * *

18 (b) Collection and payment of tax increments.--

19 Notwithstanding any other provision of law, the finance officer
20 for the municipality which created the district and the finance
21 officer for any municipality [or school district] which
22 participates in a tax increment district shall, on the next
23 settlement date provided by law, pay over to the issuing
24 authority, out of all such taxes which have been collected, that
25 portion which represents the tax increment allocable to the
26 issuing authority.

27 (c) Deposit of tax increments.--All tax increments received
28 by the issuing authority shall be deposited into the tax
29 increment fund for the district. Each finance officer may also
30 transmit, for deposit into the fund, additional moneys pursuant

1 to an appropriation by the governing body the officer represents
2 or from any other source. Moneys shall be paid out of the fund
3 by the issuing authority in accordance with section 9(h). To the
4 extent that any moneys remain in the fund after all foregoing
5 costs have been paid or satisfied, the remaining moneys shall be
6 distributed on an equal basis to all municipalities [and school
7 districts] which participated in the tax increment district.

8 Section 9. Financing of project costs.

9 * * *

10 (h) Payment of bonds and notes.--Tax increment bonds or
11 notes are payable in whole or in part from the tax increment
12 fund. To the extent that bonds or notes are payable in whole,
13 each bond or note shall contain recitals as are necessary to
14 show that it is only so payable and that it does not constitute
15 an indebtedness of any municipality [or school district] or a
16 charge against the general taxing power thereof. The issuing
17 authority shall irrevocably pledge all or a part of the tax
18 increment fund to the payment of the bonds or notes. The fund or
19 designated part thereof may thereafter be used only for the
20 payment of the bonds or notes and interest until they have been
21 fully paid, and a holder of the bonds or notes or of any coupons
22 appertaining thereto shall have a lien against the fund for
23 payment of the bonds or notes and interest, and may either at
24 law or in equity protect and enforce the lien. Notwithstanding
25 the foregoing, a municipality [or school district] may guarantee
26 the payment of tax increment bonds or notes pursuant to the
27 provisions of the act of July 12, 1972 (P.L.781, No.185), known
28 as the Local Government Unit Debt Act. In such instance,
29 appropriate notation of such shall be reflected in the recitals
30 of each bond or note.

1 * * *

2 Section 4. This act shall take effect in 60 days.