
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 346 Session of
2003

INTRODUCED BY YUDICHAK, COSTA, FRANKEL, HENNESSEY, BELFANTI,
BUXTON, CORRIGAN, CREIGHTON, FAIRCHILD, FREEMAN, KELLER,
LAUGHLIN, MANN, McILHATTAN, PETRONE, SOLOBAY, THOMAS,
WANSACZ, BROWNE, CAPPELLI, CRUZ, GRUCELA, HORSEY, KOTIK,
LEACH, McCALL, MELIO, SANTONI, SURRA, TIGUE, YOUNGBLOOD,
ROBERTS AND HARPER, FEBRUARY 18, 2003

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 18, 2003

AN ACT

1 Establishing the Regional Efficiency Development Incentive
2 Program; providing for powers and duties of the Department of
3 Community and Economic Development; and creating the Regional
4 Efficiency Development Incentive Fund.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Regional
9 Efficiency Development Incentive Act.

10 Section 2. Declaration of policy.

11 The General Assembly finds and declares as follows:

12 (1) One of the most effective ways to reduce property
13 taxes is through the regionalization, consolidation or
14 sharing of services by political subdivisions.

15 (2) Before decisions are made by local officials
16 concerning which services to regionalize or share and with
17 which partners to enter into shared services agreements,

1 regional service or consolidation opportunities need to be
2 studied and evaluated.

3 (3) It is a valid public purpose to establish a program
4 to provide State aid in the form of loans and grants to
5 political subdivisions to assist them in making decisions
6 concerning the most efficient ways to regionalize or share
7 various services and to provide funding for one-time costs
8 associated with reaching shared services, regional service or
9 consolidation agreements for the benefit of taxpayers.

10 Section 3. Definitions.

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

14 "Department." The Department of Community and Economic
15 Development of the Commonwealth.

16 "Political subdivision." Any county, city, borough,
17 incorporated town, township, school district, vocational school
18 district and county institution district.

19 "Regional Efficiency Development Incentive Program" or "REDI
20 Program." The program established under section 4.

21 "Regional service agreement." An agreement entered into by a
22 political subdivision in accordance with 53 Pa.C.S. Pt. III
23 Subpt. D (relating to area government and intergovernmental
24 cooperation) or any other agreement between political
25 subdivisions that is permitted by law.

26 "Secretary." The Secretary of Community and Economic
27 Development of the Commonwealth.

28 Section 4. Regional Efficiency Development Incentive Program.

29 (a) Establishment.--There is hereby established the Regional
30 Efficiency Development Incentive Program in the department.

1 (b) Eligibility.--A political subdivision that plans to
2 study or implement a regional service agreement may apply to the
3 department for grants or loans to study regional service or
4 consolidation opportunities and to fund one-time start-up costs
5 of regional or consolidated services.

6 (c) Consultation.--The secretary shall consult with the
7 Secretary of Education with regard to school districts and
8 vocational school districts in the administration of the REDI
9 Program.

10 (d) Application guidelines.--The department shall develop
11 and provide guidelines and procedures for the submission of REDI
12 Program grant and loan applications.

13 (e) Funding for studies.--In providing funding for regional
14 service agreement studies, the department:

15 (1) May require local matching funds, as determined by
16 the department, for a study if the department finds that the
17 political subdivision has the financial resources to provide
18 matching funds.

19 (2) May not require local matching funds for
20 consolidation studies that are permitted by law.

21 (f) Funding for start-up costs.--The following shall apply:

22 (1) Political subdivisions may apply for financial
23 assistance for the one-time start-up costs necessary to
24 implement regional service agreements. Costs that may be
25 financed through the issuance of debt or capital lease
26 agreements shall be excluded from this program.

27 (2) The department may set limits on aid awards and
28 negotiate the amount, payment schedule and other terms of the
29 grant or loan agreements to ensure that the implementation of
30 a regional service agreement is cost effective and in the

1 public interest.

2 (g) Technical support.--The department may provide technical
3 support to assist political subdivisions in applying for grants
4 or loans for studying regional service agreements.

5 Section 5. Regional Efficiency Development Incentive Fund.

6 There is created a Regional Efficiency Development Incentive
7 Fund within the State Treasury as a nonlapsing revolving account
8 which shall receive moneys as may be credited to it, the
9 repayment of loans made from the fund, and any other moneys as
10 may be appropriated to the fund from time to time. Moneys in the
11 fund are appropriated to the department for the purposes of this
12 act.

13 Section 6. Regulations.

14 The department shall promulgate rules and regulations
15 necessary to effectuate the purposes of the REDI Program.

16 Section 7. Effective date.

17 This act shall take effect in 60 days.