

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2044 Session of 2014

INTRODUCED BY MATZIE, ROZZI, KOTIK, HARHAI, SNYDER, HAGGERTY, KINSEY, LONGIETTI, BROWNLEE, CALTAGIRONE, BIZZARRO, COHEN, PETRARCA, KORTZ, STERN, CARROLL, THOMAS, GIBBONS, MURT, FRANKEL AND NEILSON, FEBRUARY 24, 2014

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 24, 2014

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for the definitions of "city,"
11 "contracting authority" and "pilot zone" and for
12 establishment of contracting authority; providing for number
13 of authorized zones; and further providing for approval.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The definitions of "city," "contracting
17 authority" and "pilot zone" in section 1802-C of the act of
18 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
19 1971, added July 9, 2013 (P.L.270, No.52), are amended to read:
20 Section 1802-C. Definitions.

21 The following words and phrases when used in this article
22 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

3 "City." A city of the second class A or third class [with a
4 population of at least 30,000 based on the most recent Federal
5 decennial census. The term shall not include a city that has had
6 a receiver appointed under Chapter 7 of the act of July 10, 1987
7 (P.L.246, No.47), known as the Municipalities Financial Recovery
8 Act]. The term includes a city that is a distressed city under
9 the act of July 10, 1987 (P.L.246, No.47), known as the
10 Municipalities Financial Recovery Act, and a city that has had a
11 receiver appointed under Chapter 7 of the Municipalities
12 Financial Recovery Act.

13 * * *

14 "Contracting authority." An authority established under 53
15 Pa.C.S. Ch. 56 (relating to municipal authorities) by a city or
16 [home rule] county for the purpose of:

17 (1) designating zones; and

18 (2) engaging in the construction, including related site
19 preparation and infrastructure, reconstruction or renovation
20 of facilities.

21 * * *

22 "Pilot zone." An area of not more than 130 acres designated
23 by the contracting authority following application and approval
24 by the Department of Community and Economic Development, the
25 office and the department which will provide economic
26 development and job creation within a township or borough, with
27 a population of at least 7,000 based on the most recent Federal
28 decennial census.

29 * * *

30 Section 2. Section 1803-C of the act, added July 9, 2013

(P.L.270, No.52), is amended to read:

Section 1803-C. Establishment of contracting authority.

(a) Cities.--[Except as set forth in subsection (b), a] A city may establish a contracting authority to designate a zone under this article.

(b) Distressed cities.--A city that is a distressed city under the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, and is located in a county of the second class A that is a home rule county may not establish a contracting authority under this article.

(c) Counties.--[The home rule county] A county of the second class A that is a home rule county and where a distressed city under the Municipalities Financial Recovery Act is located may establish a contracting authority to designate a zone under this article within the distressed city.

Section 3. The act is amended by adding a section to read:
Section 1803.1-C. Number of authorized zones.

The department shall authorize 15 zones.

Section 4. Section 1804-C(c) of the act, added July 9, 2013 (P.L.270, No.52), is amended to read:

Section 1804-C. Approval.

* * *

(c) Approval schedule.--The Department of Community and Economic Development shall develop a schedule for the approval of applications under this section as follows:

(1) Following the effective date of this paragraph, applications for [two] 15 initial zones may be approved.

Priority for approval shall be given to applications submitted on behalf of a city that is a distressed city under the act of July 10, 1987 (P.L.246, No.47), known as the

1 Municipalities Financial Recovery Act, or a city that has had
2 a receiver appointed under Chapter 7 of the Municipalities
3 Financial Recovery Act.

4 (2) Beginning in 2016, applications for two additional
5 zones may be approved each calendar year[.] regardless of
6 population. Priority for approval shall be given to
7 applications submitted on behalf of a city that is a
8 distressed city under the Municipalities Financial Recovery
9 Act or a city that has had a receiver appointed under Chapter
10 7 of the Municipalities Financial Recovery Act.

11 (3) Following the effective date of this paragraph, the
12 Department of Community and Economic Development, the office
13 and the department, may approve [one pilot zone] not more
14 than five pilot zones.

15 (4) A city may not be approved for more than one zone.
16 A township or borough may not be approved for more than one
17 pilot zone. A city that established a neighborhood
18 improvement zone under Article XIX-B shall be eligible to
19 apply for or be approved for a zone under this article.

20 * * *

21 Section 5. This act shall take effect in 60 days.