## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 1490 Session of 2015

INTRODUCED BY PETRI, CALTAGIRONE, COHEN, D. COSTA, DRISCOLL, JAMES, LONGIETTI, MURT, PASHINSKI, SAYLOR AND YOUNGBLOOD, AUGUST 13, 2015

REFERRED TO COMMITTEE ON URBAN AFFAIRS, AUGUST 13, 2015

## AN ACT

1 2 3 4 5	Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, providing for cultural improvement district advisory committees and for neighborhood improvement districts; and repealing the Neighborhood Improvement District Act.			
6	The General Assembly of the Commonwealth of Pennsylvania			
7	hereby enacts as follows:			
8	Section 1. Title 53 of the Pennsylvania Consolidated			
9	Statutes is amended by adding a chapter to read:			
10	CHAPTER 62			
11	NEIGHBORHOOD IMPROVEMENT DISTRICTS			
12	<u>Subchapter</u>			
13	A. Preliminary Provisions			
14	B. Cultural Improvement District Advisory Committees			
15	C. Neighborhood Improvement Districts			
16	SUBCHAPTER A			
17	PRELIMINARY PROVISIONS			
18	Sec.			
19	6201. Scope of chapter.			

§ 6201. Scope of chapter. 1 2 This chapter relates to neighborhood improvement districts. 3 SUBCHAPTER B CULTURAL IMPROVEMENT DISTRICT 4 5 ADVISORY COMMITTEES 6 Sec. 7 6211. Legislative findings. 6212. Definitions. 8 6213. Cultural improvement district advisory committees. 10 6214. Programs to consider. 6215. Local taxing options. 11 12 6216. Authorization of taxes. § 6211. Legislative findings. 13 14 The General Assembly finds that: 15 (1) Municipalities across this Commonwealth contain valuable and distinct geographical areas comprised 16 predominantly of real property containing institutions of 17 cultural or historical significance and the businesses and 18 19 neighborhoods which directly benefit from such institutions. 20 (2) Many of these municipalities are enriched by educational, social or recreational opportunities that are 21 22 established or supported by these geographical areas of 23 cultural or historical significance. 24 (3) Regions, municipalities, school districts, residents 25 and businesses benefit directly and indirectly by the 26 availability of these educational, social or recreational 27 opportunities. (4) Despite their inherent value to the surrounding 28 29 regions and municipalities, the public, private and not-forprofit entities which own or operate the institutions 30

- 1 <u>comprising these areas of cultural or historical significance</u>
- 2 <u>frequently face financial challenges to meet the necessary</u>
- 3 costs of operation while making the benefits to the public
- 4 <u>broadly available.</u>
- 5 (5) Although many programs have been established by the
- 6 General Assembly that may support the ongoing availability
- 7 <u>and development of such public benefits and the preservation</u>
- 8 of such areas and institutions of cultural or historical
- 9 significance, local governments may nevertheless be unaware
- of economic development programs that could support these
- 11 areas and institutions.
- 12 (6) It is therefore necessary to provide local
- 13 governments with a process to appoint a committee to explore
- the utilization of available economic development programs to
- 15 support and develop such areas and institutions of cultural
- or historical significance.
- 17 § 6212. Definitions.
- 18 The following words and phrases when used in this subchapter
- 19 shall have the meanings given to them in this section unless the
- 20 context clearly indicates otherwise:
- 21 "Committee." A committee established under section 6213
- 22 (relating to cultural improvement district advisory committees).
- 23 "Cultural improvement district." The term shall have the
- 24 same meaning given to it in Subchapter C (relating to
- 25 <u>neighborhood improvement districts</u>).
- 26 "Governing body." A city council, borough council,
- 27 <u>incorporated town council, board of township commissioners or</u>
- 28 board of township supervisors, the governing council of any unit
- 29 of government established and existing under Subpart E of Part
- 30 III (relating to home rule and optional plan government) or the

- 1 governing council of any similar general purpose unit of
- 2 government established by statute.
- 3 "Municipality." A city, borough, incorporated town, township
- 4 <u>or home rule municipality.</u>
- 5 "Neighborhood improvement district." The term shall have the
- 6 same meaning as given to it in Subchapter C (relating to
- 7 <u>neighborhood improvement districts</u>).
- 8 § 6213. Cultural improvement district advisory committees.
- 9 (a) Establishment.--By ordinance, the governing body of a
- 10 municipality may establish a cultural improvement district
- 11 advisory committee under this subchapter. The members of the
- 12 committee shall be appointed by a majority vote of a quorum of
- 13 the governing body and shall serve at the pleasure of the
- 14 governing body. The committee shall be comprised of:
- 15 (1) Not less than five but not more than nine members as
- specified in the ordinance.
- 17 (2) Representatives of residents, nonprofit
- 18 organizations, institutions and business owners within the
- 19 <u>municipality</u>, who shall be representative of, and reside or
- 20 work in, the geographic area within and surrounding
- 21 institutions of cultural and historical significance in the
- 22 municipality.
- 23 (b) Compensation prohibited.--Members shall serve without
- 24 compensation, but may be reimbursed for reasonable expenses at
- 25 the governing body's discretion, and as specified in the
- 26 ordinance.
- 27 <u>(c) Duties.--The committee shall have the following duties:</u>
- 28 (1) Hold public meetings and consider:
- (i) Whether the municipality may benefit from any
- 30 economic development program or other program under the

1	laws of this Commonwealth or the United States, which	
2	could be used to enhance or support the areas and	
3	institutions of cultural or historical significance	
4	existing within the municipality. The programs shall	
5	include, but need not be limited to, the programs	
6	identified in section 6214 (relating to programs to	
7	<pre>consider).</pre>	
8	(ii) Whether the municipality may benefit from any	
9	programs of nonprofit organizations, foundations, trusts	
10	or similar entities for the purposes of this subchapter.	
11	(iii) Whether the governing body of the municipality	
12	should enact a tax under section 6215 (relating to local	
13	taxing options) to support a district established by	
14	Subchapter C (relating to neighborhood improvement	
15	districts).	
16	(2) Produce a report that contains its findings and	
17	recommendations to the governing body of the municipality	
18	within 180 days of the municipality's creation of the	
19	committee.	
20	(3) Provide additional advice to the governing body as	
21	requested by the governing body.	
22	§ 6214. Programs to consider.	
23	A committee shall consider whether the following programs and	
24	any others of benefit could be utilized to enhance or support an	
25	area or institution of cultural or historical significance	
26	within the municipality:	
27	(1) The establishment of a cultural improvement district	
28	under Subchapter C (relating to neighborhood improvement	
29	districts).	
30	(2) The creation of a tax increment financing district	

1	to enhance the area of cultural or historical significance in
2	accordance with the act of July 11, 1990 (P.L.465, No.113),
3	known as the Tax Increment Financing Act.
4	(3) Tax exemptions for the improvement of deteriorated
5	properties under the act of December 1, 1977 (P.L.237,
6	No.76), known as the Local Economic Revitalization Tax
7	Assistance Act.
8	(4) The creation of a historic district to protect
9	historical areas within or adjacent to the area of cultural
10	significance in accordance with the act of June 13, 1961
11	(P.L.282, No.167), entitled "An act authorizing counties,
12	cities, boroughs, incorporated towns and townships to
13	establish historic districts within their geographic
14	boundaries; providing for the appointment of Boards of
15	Historical Architectural Review; empowering governing bodies
16	of political subdivisions to protect the distinctive
17	historical character of these districts and to regulate the
18	erection, reconstruction, alteration, restoration, demolition
19	or razing of buildings within the historic districts."
20	(5) Grants, loans and tax credits through:
21	(i) The Keystone Communities Program and other
22	programs for the improvement of neighborhoods
23	administered by the Department of Community and Economic
24	<pre>Development.</pre>
25	(ii) The Pennsylvania Historical and Museum
26	Commission.
27	§ 6215. Local taxing options.
28	(a) Authorization to municipalities
29	(1) Where recommended by a committee, or by an
30	established neighborhood improvement district management

1	association, designated and established by the municipality
2	under Subchapter C (relating to neighborhood improvement
3	districts), a municipality may by ordinance impose, in
4	addition to the statutory rate limits on the general purpose
5	levy real estate taxes enumerated in the municipal code
6	applicable to the municipality, a cultural improvement
7	district tax on real property not exceeding the millage
8	authorized by referendum under section 6216 (relating to
9	authorization of taxes).
10	(2) In the alternative, the municipality may by
11	ordinance impose, in addition to the earned income tax rate
12	limit enumerated in the act of December 31, 1965 (P.L.1257,
13	No.511), known as The Local Tax Enabling Act, a cultural
14	improvement district tax on the earned income of the
15	residents of the municipality not exceeding the rate
16	authorized by referendum under section 6216.
17	(3) Revenue from the levy may be used in one or more of
18	the following manners:
19	(i) The revenue may be appropriated for the
20	establishment or support of a cultural improvement
21	district, which has been, or would be, established under,
22	and for any purpose provided for under sections 6224
23	(relating to powers of municipal corporation), 6227
24	(relating to powers of neighborhood improvement district
25	management association) and 6228 (relating to additional
26	powers of neighborhood improvement district management
27	association in a cultural district).
28	(ii) The revenue may be deposited into a cultural
29	improvement district maintenance fund, established by the
30	municipality, to develop, improve, design and maintain

- 1 property within the cultural improvement district. In no
- 2 <u>case may the municipality deposit in excess of 25% of the</u>
- 3 <u>revenue collected from the levy into the cultural</u>
- 4 <u>improvement district maintenance fund.</u>
- 5 (b) Restriction.--In no event may revenue collected from the
- 6 <u>levy in a particular year be used to develop, improve, design</u>
- 7 and maintain the property within the cultural improvement
- 8 <u>district unless the annual debt service incurred under section</u>
- 9 6224 for the benefit of the cultural improvement district will
- 10 be satisfied.
- 11 § 6216. Authorization of taxes.
- 12 <u>(a) Referendum required.--</u>
- 13 (1) The local taxing option for a cultural improvement
- district tax authorized by section 6215 (relating to local
- taxing options) may not be exercised unless the governing
- body of the municipality by ordinance provides for a
- 17 referendum on the question of the imposition at a specific
- 18 rate of the additional tax and a majority of those voting on
- 19 the referendum question vote in favor of the imposition of
- 20 the tax. The additional tax may not be repealed any sooner
- 21 than five years after the imposition of the tax.
- 22 (2) The ordinance of the governing body of the local
- 23 government unit providing for a referendum on the question
- 24 shall be filed with the county board of elections. The
- 25 referendum shall be governed by the provisions of the act of
- 26 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
- 27 Election Code.
- 28 (3) The election official shall cause the question to be
- 29 <u>submitted to the electors of the municipality at the next</u>
- 30 primary, general or municipal election occurring not later

1	than the thirteenth Tuesday following the filing of the
2	ordinance with the county board of elections.
3	(4) At such election, the question shall be submitted to
4	the voters in the same manner as other questions are
5	submitted under the provisions of the Pennsylvania Election
6	Code.
7	(5) The question to be placed upon the ballot shall be
8	<pre>framed in the following form:</pre>
9	Do you favor the imposition of a (describe tax in millage
10	or earned income tax rate) by (municipality) to be used
11	to support the (specified) cultural improvement district?
12	(b) Repeal by referendum
13	(1) The method of repeal of the cultural improvement
14	district tax shall be by referendum, and the procedures for
15	the filing of the ordinance and the conduct of the referendum
16	shall be the same as specified in subsection (a), except the
17	question to be placed upon the ballot shall be framed in the
18	following form:
19	Do you favor the continued imposition of the (describe
20	tax in millage or earned income tax rate) by
21	(municipality) to be used to support the (specified)
22	cultural improvement district?
23	(2) If the referendum question passes, the cultural
24	improvement district tax shall continue to be imposed at the
25	rate described in the question.
26	(3) If the referendum question fails, the increase in
27	the rate limit of the real estate or the earned income tax
28	provided for by subsection (a) shall be repealed effective in
29	the fiscal year following the referendum.
30	(4) Regardless of whether the referendum question passes

1	or fails, a referendum on either the reimposition of the open
2	space tax under subsection (a) or the continued imposition of
3	the cultural improvement district tax under this subsection
4	shall not be held any sooner than five years after the
5	approval or disapproval of the referendum question.
6	(c) Real property exemptions
7	(1) Any of the following categories of real property may
8	be exempted by a municipality from further millage increases:
9	(i) Real property in which the open space property
10	interests have been acquired by a municipality in
11	accordance with the act of January 19, 1968 (1967
12	P.L.992, No.442), entitled, as amended, "An act
13	authorizing the Commonwealth of Pennsylvania and the
14	local government units thereof to preserve, acquire or
15	hold land for open space uses."
16	(ii) Real property that is subject to an easement
17	acquired in accordance with the act of June 30, 1981
18	(P.L.128, No.43), known as the Agricultural Area Security
19	<u>Law.</u>
20	(iii) Real property from which transferable
21	development rights have been transferred and retired by a
22	municipality without their development potential having
23	occurred on other lands.
24	(2) The exemption from further millage increases for
25	real property as provided for in this section shall be
26	authorized only for real property qualifying for such
27	exemption under the provisions of section 2(b)(i) of Article
28	VIII of the Constitution of Pennsylvania.
29	(3) No exemptions granted under this section may be
30	considered by the State Tax Equalization Board in deriving

- the market value of school district real property so as to
- 2 reduce the subsidy to that school district or to increase the
- 3 subsidy to any other school district.
- 4 <u>SUBCHAPTER C</u>
- 5 NEIGHBORHOOD IMPROVEMENT DISTRICTS
- 6 Sec.
- 7 6221. Scope of subchapter.
- 8 <u>6222. Legislative findings.</u>
- 9 <u>6223. Definitions.</u>
- 10 6224. Powers of municipal corporation.
- 11 <u>6225</u>. <u>Neighborhood improvement districts</u>.
- 12 6226. Neighborhood improvement district management
- 13 <u>associations.</u>
- 14 6227. Powers of neighborhood improvement district management
- 15 association.
- 16 <u>6228</u>. Additional powers of neighborhood improvement district
- 17 management association in a cultural district.
- 18 6229. Dissolution of neighborhood improvement district
- 19 management association and neighborhood improvement
- 20 <u>district.</u>
- 21 <u>6230</u>. Annual audit; report.
- 22 <u>6231</u>. Applicability.
- 23 § 6221. Scope of subchapter.
- 24 This subchapter relates to neighborhood improvement
- 25 <u>districts.</u>
- 26 § 6222. Legislative findings.
- The General Assembly finds that:
- 28 (1) Existing tax rates in many municipalities are at or
- 29 <u>near their statutory cap.</u>
- 30 (2) The General Fund revenue derived from these taxes

- 1 many times is not sufficient to provide adequate municipal
- 2 services or additional services needed in specific geographic
- 3 areas within the municipality, including, but not limited to,
- 4 <u>downtown commercial districts.</u>
- 5 (3) As a result, municipalities should be encouraged to
- 6 <u>establish</u>, where feasible and desired, assessment-based
- 7 <u>neighborhood improvement districts which would include, but</u>
- 8 not be limited to, downtown commercial districts. Designated
- 9 <u>district management associations would initiate and</u>
- 10 administer programs to promote and enhance more attractive
- 11 <u>and safer commercial, industrial, residential and mixed-use</u>
- 12 <u>neighborhoods; economic growth; increased employment</u>
- opportunities; and improved commercial, industrial, business
- districts and business climates.
- 15 (4) Municipalities should be given the broadest possible
- discretion in establishing by local ordinance the type of
- 17 assessment-based programs most consistent with neighborhood
- 18 needs, goals and objectives as determined and expressed by
- 19 property owners in the designated district.
- 20 § 6223. Definitions.
- The following words and phrases when used in this subchapter
- 22 shall have the meanings given to them in this section unless the
- 23 context clearly indicates otherwise:
- 24 "Authority." A body politic and corporate, established under
- 25 the former act of May 2, 1945 (P.L.382, No.164), known as the
- 26 Municipality Authorities Act of 1945, or Chapter 56 (relating to
- 27 municipal authorities).
- 28 "Benefited property." Those properties located within a
- 29 <u>neighborhood improvement district which profit from district</u>
- 30 improvements based on a rational nexus test. Properties need not

- 1 profit equally to be considered to have benefited.
- 2 "Bonds." The term shall include the notes, bonds and other
- 3 evidence of indebtedness or obligations which each municipal
- 4 <u>corporation is authorized to issue under section 6224(7)</u>
- 5 <u>(relating to powers of municipal corporation).</u>
- 6 "Business improvement." In the case of neighborhood
- 7 <u>improvement district management associations established for the</u>
- 8 purpose of making improvements or providing administrative
- 9 <u>services within a neighborhood improvement district</u>, the term
- 10 shall mean those improvements needed in specific areas or to
- 11 <u>individual properties</u>, including, but not limited to, sidewalks,
- 12 retaining walls, street paving, parks, recreational equipment
- 13 and facilities, open space, street lighting, parking lots,
- 14 parking garages, trees and shrubbery, pedestrian walks, sewers,
- 15 water lines, rest areas and the acquisition and rehabilitation
- 16 or demolition of blighted buildings or structures.
- 17 "Business improvement district" or "BID." A business
- 18 improvement district established prior to February 19, 2001, and
- 19 governed by the former act of May 2, 1945 (P.L.382, No.164),
- 20 known as the Municipality Authorities Act of 1945, insofar as it
- 21 relates to business improvement districts or Chapter 54
- 22 (relating to business improvement districts). On or after
- 23 February 19, 2001, the term shall mean a limited geographical
- 24 area comprised of real property which is used for any for-profit
- 25 activity involving trade and traffic, or commerce in general.
- 26 "Commercial." Relating to or associated with any for-profit
- 27 <u>activity involving trade and traffic or commerce in general.</u>
- 28 <u>"Construction expenditures." Property and right-of-way</u>
- 29 acquisition costs where applicable.
- 30 "Costs of improvements." The term includes architectural

- 1 fees, engineering fees, attorney fees, consulting fees,
- 2 professional fees, preliminary planning expenditures,
- 3 feasibility study expenditures, financing costs and any other
- 4 <u>expenditures necessary and incidental to the development</u>,
- 5 construction or completion of the improvement.
- 6 <u>"Cultural improvement district." A limited geographical area</u>
- 7 composed of institutions of cultural or historical significance
- 8 and the surrounding businesses and neighborhoods that directly
- 9 <u>benefit from such institutions.</u>
- 10 "District advisory council." A committee comprised of
- 11 property owners from a neighborhood improvement district
- 12 <u>established under section 6227(a) (relating to powers of</u>
- 13 <u>neighborhood improvement district management association) for</u>
- 14 the purpose of providing guidance and direction to the
- 15 <u>neighborhood improvement district management association</u>
- 16 concerning association activities within the district.
- 17 "Industrial district." A limited geographical area comprised
- 18 of real property which is used predominantly for manufacturing,
- 19 commercial or any other activity related to the distribution of
- 20 goods and services and intermediate and final products,
- 21 including, but not limited to, warehousing, shipping,
- 22 transportation, remanufacturing, stockpiling of raw materials,
- 23 repair and maintenance of machinery and equipment, storage,
- 24 administration or business activities and research and
- 25 <u>development.</u>
- 26 "Institution." The term includes, but is not limited to, a
- 27 college, university, school, hospital, museum, theater, church,
- 28 synagogue, art center or similar facility.
- 29 "Institutional district." A limited geographical area
- 30 comprised predominantly of real property on which educational,

- 1 health-related or cultural activities occur within buildings and
- 2 <u>structures</u>, including, but not limited to, colleges,
- 3 universities, schools, hospitals, museums, theaters, churches,
- 4 synagogues and art centers.
- 5 "Mixed-use district." A limited geographical area comprised
- 6 of real property used for any or all purposes contained within a
- 7 <u>business</u>, <u>residential</u>, <u>industrial</u> or <u>institutional district</u>.
- 8 "Municipal corporation." The body or board authorized by law
- 9 to enact ordinances or adopt resolutions for a municipality.
- 10 "Municipality." With the exception of a city of the first
- 11 class, a city, borough, incorporated town, township, home rule,
- 12 optional plan or optional charter municipality located within
- 13 <u>this Commonwealth.</u>
- 14 "Neighborhood." A limited geographic area within a
- 15 municipality establishing a neighborhood improvement district,
- 16 the limits of which form the neighborhood improvement district
- 17 boundary.
- 18 "Neighborhood improvement." Improvements needed in specific
- 19 geographic areas or to individual properties within those areas,
- 20 including, but not limited to, sidewalks, retaining walls,
- 21 street paving, parks, recreational equipment and facilities,
- 22 open space, street lighting, parking lots, trees and shrubbery,
- 23 sewers, water lines, rest areas and the acquisition and
- 24 rehabilitation or demolition of deteriorated buildings or
- 25 <u>structures.</u>
- 26 "Neighborhood improvement district" or "NID." A limited
- 27 <u>geographic area within a municipality, in which a special</u>
- 28 assessment is levied on all designated property, other than tax-
- 29 exempt property, for the purpose of promoting the economic and
- 30 general welfare of the district and the municipality, the term

- 1 <u>includes all of the following:</u>
- 2 (1) Business improvement district (BID).
- 3 (2) Cultural improvement district (CID).
- 4 (3) Industrial improvement district (IID).
- 5 (4) Institutional improvement district (INID).
- 6 (5) Mixed-use improvement district (MID), depending on
- 7 <u>the type district established.</u>
- 8 <u>(6) Residential improvement district (RID).</u>
- 9 <u>A designated property may not be included in more than one</u>
- 10 neighborhood improvement district.
- 11 "Neighborhood improvement district management association" or
- 12 "NIDMA." The governing body that oversees the management of
- 13 <u>neighborhood improvement districts in a municipality as</u>
- 14 <u>established under section 6225 (relating to neighborhood</u>
- 15 <u>improvement districts</u>), and is incorporated as a nonprofit
- 16 <u>corporation in this Commonwealth or an authority as established</u>
- 17 under the former act of May 2, 1945 (P.L.382, No.164), known as
- 18 the Municipality Authorities Act of 1945, or Chapter 56
- 19 (relating to municipal authorities).
- 20 "Neighborhood improvement district plan" or "NIDP." The
- 21 strategic plan for neighborhood improvements required by section
- 22 6225 (relating to neighborhood improvement districts), and all
- 23 projects, programs and supplemental services to be provided
- 24 within the district to implement the plan by the neighborhood
- 25 improvement district management association.
- 26 "Neighborhood improvement district services." In the case
- 27 of:
- 28 (1) A neighborhood improvement district management
- 29 <u>association established for the purpose of making</u>
- 30 improvements or providing expanded services within an

- 1 <u>established neighborhood business improvement district, the</u>
- 2 <u>term shall include, but not be limited to, those services</u>
- 3 which improve the ability of the commercial establishments
- 4 <u>within the neighborhood business improvement district to</u>
- 5 <u>serve the consumer, such as free or reduced-fee parking for</u>
- 6 <u>customers, transportation-related expenses, public relations</u>
- 7 programs, group advertising and district maintenance and
- 8 <u>security services.</u>
- 9 <u>(2) A residential, industrial, institutional or mixed-</u>
- 10 use neighborhood improvement district, the term shall
- include, but not be limited to, those services which improve
- the ability of property owners to enjoy a safer and more
- 13 <u>attractive neighborhood through the provision of increased or</u>
- 14 <u>expanded services, including street lighting, street</u>
- 15 <u>cleaning, street maintenance, parks, recreational equipment</u>
- and facilities, open space or security services.
- 17 "Nonprofit corporation." A legal entity that is incorporated
- 18 within this Commonwealth and specifies in its charter or bylaws
- 19 that no part of the net earnings may benefit any private
- 20 shareholder or individual holding interest in the legal entity.
- 21 "Private security officer." Any person or firm employed by a
- 22 neighborhood improvement district management association for the
- 23 purpose of providing increased security or protective patrol
- 24 services within the neighborhood improvement district. The term
- 25 may include an off-duty police officer, provided that the use of
- 26 the officer for this purpose is approved by the governing body
- 27 of the municipality in which the neighborhood improvement
- 28 district is located or the municipality where the officer is
- 29 <u>employed</u>, <u>if different</u>.
- 30 "Project." The acquisition, development, construction,

- 1 <u>improvement</u>, rehabilitation, operation or maintenance of a
- 2 <u>building</u>, <u>facility</u>, <u>equipment or structure</u>, <u>by purchase</u>, <u>lease</u>
- 3 or contract, by a neighborhood improvement district management
- 4 <u>association to facilitate neighborhood and business improvements</u>
- 5 as authorized by this subchapter.
- 6 "Rational nexus." The legal principle which requires that
- 7 there is a rational, definable benefit which accrues to a
- 8 property owner assessed a fee for the benefit in a neighborhood
- 9 <u>improvement district established under this subchapter. All</u>
- 10 property owners within a designated neighborhood improvement
- 11 district paying a special assessment fee must benefit directly
- 12 or indirectly from facilities or services provided by a
- 13 <u>neighborhood improvement district management association within</u>
- 14 the neighborhood improvement district, provided, however, that
- 15 property owners need not benefit equally.
- 16 "Residential district." A limited geographical area
- 17 comprised of real property consisting predominantly of buildings
- 18 and structures for housing individuals and families, including,
- 19 but not limited to, single-family detached homes, single-family
- 20 semidetached homes, townhouses, condominiums, apartments,
- 21 manufactured homes, modular homes or any combination of same.
- 22 "Service area." The area within the boundaries of a
- 23 neighborhood improvement district established by a municipality
- 24 under this subchapter in which the neighborhood improvement
- 25 district management association provides programs, services and
- 26 improvements. The term may also include an area outside of the
- 27 <u>neighborhood improvement district where services are being</u>
- 28 provided by the neighborhood improvement district management
- 29 association under contract.
- 30 <u>"Special assessment fee." The fee assessed on property</u>

- 1 owners within a neighborhood improvement district levied by the
- 2 <u>municipality establishing a neighborhood improvement district</u>
- 3 <u>under section 6224(10) (relating to powers of municipal</u>
- 4 corporation) for the purposes of providing programs,
- 5 <u>improvements and services under section 6227 (relating to powers</u>
- 6 of neighborhood improvement district management association).
- 7 "Sunset provision." The term means a provision in the
- 8 <u>neighborhood improvement district plan under section 6225(c)</u>
- 9 (relating to neighborhood improvement districts), establishing a
- 10 neighborhood improvement district, which provides for the
- 11 <u>automatic termination of the neighborhood improvement district</u>
- 12 <u>on a date specified in the neighborhood improvement district</u>
- 13 plan and in the municipal ordinance establishing the
- 14 <u>neighborhood improvement district. The neighborhood improvement</u>
- 15 <u>district may be continued beyond that date</u>, provided that the
- 16 <u>municipal enabling ordinance establishing the original</u>
- 17 <u>neighborhood improvement district is reenacted</u>, following a
- 18 review of the neighborhood improvement district and the
- 19 neighborhood improvement district management association
- 20 programs and services provided within the neighborhood
- 21 improvement district by the municipality.
- 22 § 6224. Powers of municipal corporation.
- 23 A municipal corporation shall have the power:
- 24 (1) To establish within the municipality an area or
- 25 areas designated as an NID.
- 26 (2) To establish an authority to administer the NID or
- 27 to designate an existing community development corporation or
- other existing nonprofit corporation to administer same or to
- 29 <u>establish a community development corporation or other</u>
- 30 nonprofit corporation to administer same under sections 6226

1	(relating	to	neighborhood	improvement	district	management
			<u> </u>	<u> </u>		

2 <u>associations</u>) and 6227 (relating to powers of neighborhood

3 improvement district management association).

(3) To appropriate and expend, in accordance with the specific provisions of the municipal enabling ordinance, municipal funds as may be required to:

- (i) Acquire by purchase or lease real or personal property deemed necessary to effectuate the purposes of the NID.
- 10 (ii) Prepare or have prepared preliminary planning 11 or feasibility studies to determine needed improvements 12 in an NID, including, but not limited to, capital 13 improvements, traditional streetscape and building renovations, retaining walls, street paving, street 14 lighting, parking lots, parking garages, trees and 15 16 shrubbery, pedestrian walks, sewers, water lines, rest areas, acquisition, rehabilitation or demolition of 17 18 blighted buildings and structures, graffiti removal, security, marketing, promotions, advertising, business 19 20 retention and recruitment activities, master leasing and 21 property management, joint advertising, research and 22 planning as well as the provision of additional services 23 to supplement, not replace, existing municipal services 24 provided within the NID.
  - (4) To advance funds to an NIDMA as may be required to carry out the purposes of this subchapter.
- 27 (5) To collect special property assessments on behalf of
  28 the NIDMA levied on designated property owners within the NID
  29 and to employ any legal methods to ensure collection of the
  30 assessments.

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1	(6) To acquire by gift, purchase or eminent domain,
2	land, real property or rights-of-way which may be needed for
3	the purposes of making physical improvements within the NID.
4	(7) To issue bonds, notes or guarantees, in accordance
5	with the provisions of general laws in the amounts and for
6	the periods necessary, to finance needed improvements within
7	any NID.
8	(8) To review all proposed expenditures of funds within
9	NIDs by NIDMAs and suggest changes to same where a nonprofit
10	corporation is the NIDMA.
11	(9) To include a sunset provision of no less than five
12	years in the municipal enabling ordinance creating the NID
13	and in the contract with the NIDMA.
14	(10) To levy an assessment fee on property owners
15	located within an NID needed to finance additional
16	supplemental programs, services and improvements to be
17	provided or made by the NIDMA.
18	§ 6225. Neighborhood improvement districts.
19	(a) Establishment
20	(1) The governing body of a municipality or municipal
21	business or residents, or combination thereof, may initiate
22	action to establish an NID or NIDs within the municipality
23	under this subchapter.
24	(2) In the case of businesses or residents, or both,
25	desiring to establish an NID where the municipality has not
26	taken action to do so, the governing body of the municipality
27	may be petitioned to establish an NID under the procedures
28	provided for by this subchapter.
29	(3) In no case where the governing body of a
30	municipality is petitioned to establish an NID under

- 1 paragraph (2) shall the municipality be required to establish
- an NID.
- 3 (b) Specific procedures.--
- 4 (1) A copy of everything required under this section, as
- 5 well as the date, location and time of any public hearing
- 6 required by this subchapter, shall be provided by the
- 7 <u>municipal corporation to all property owners and lessees of</u>
- 8 property owners located in the proposed NID at least 30 days
- 9 prior to the first public hearing required by this section.
- 10 (2) At least one public hearing, no earlier than 15 days
- 11 apart, for the purpose of receiving public comment from
- 12 <u>affected property owners within the proposed NID, on the</u>
- proposed NIDP, shall be held by the municipality before the
- 14 establishment of an NID. Notice of the hearing shall be
- advertised at least 10 days prior thereto in a newspaper of
- 16 general circulation in the municipality.
- 17 (3) Any objections by property owners within the
- 18 proposed NID must be made in writing by persons representing
- 19 the ownership of 40%, in numbers, of the benefited properties
- within the NID. Objections must be signed by the property
- 21 owner and filed in the office of the clerk for the governing
- 22 body of the municipality in which the NID is proposed.
- 23 (c) Contents of preliminary plan. -- The plan shall include
- 24 the following:
- 25 (1) A map indicating the boundaries, by street, of the
- 26 proposed NID; however, a designated property may not be
- included in more than one NID.
- 28 (2) A written report from the municipality containing:
- 29 <u>(i) The name of the proposed district.</u>
- 30 (ii) A detailed description of the service areas of

Τ	the proposed district.
2	(iii) A list of all properties to be assessed.
3	(iv) A list of proposed improvements within the NID
4	and their estimated cost.
5	(v) A proposed budget for the first fiscal year,
6	including, but not limited to, the following:
7	(A) personnel and administration;
8	(B) programs and services;
9	(C) maintenance and operation; and
10	(D) capital expenditures.
11	(vi) The proposed revenue sources for financing all
12	proposed improvements, programs and services.
13	(vii) The estimated time for implementation and
14	completion of all proposed improvements, programs and
15	services.
16	(viii) A statement identifying the administrative
17	body which will govern and administer the NID.
18	(ix) Any other information, including the statutory
19	authority or, in the case of a nonprofit corporation, the
20	bylaws, which describe the powers and duties of and the
21	method for making decisions by the NIDMA.
22	(x) The method of determining the amount of the
23	assessment fee to be levied on property owners within the
24	NID under section 6227 (relating to powers of
25	neighborhood improvement district management
26	association).
27	(3) The plan shall also:
28	(i) Identify in detail the specific duties and
29	responsibilities of both the NIDMA and the municipal
30	corporation with respect to the NID.

1	(ii) Require that a written agreement be signed by
2	the municipal corporation and the NIDMA describing in
3	detail their respective duties and responsibilities.
4	(iii) Allow for and encourage tax-exempt property
5	owners located within the NID to provide in-kind services
6	or a financial contribution to the NIDMA, if not
7	assessed, in lieu of a property assessment fee.
8	(iv) Require in the agreement between the municipal
9	corporation and the NIDMA that the municipality must
10	maintain the same level of municipal programs and
11	services provided within the NID before NID designation
12	as after NID designation.
13	(v) Allow the municipal corporation the right to
14	include in the agreement with the NIDMA and in the
15	enabling ordinance establishing the NID, a sunset
16	provision of no less than five years for renewal of the
17	agreement.
18	(vi) Require in the agreement with the NIDMA that
19	the municipality establishing an NID collect all property
20	assessment fees levied within the NID if so desired by
21	the NIDMA.
22	(vii) Provide that a negative vote of at least 40%
23	of the property owners within the NID proposed in the
24	final plan shall be required to defeat the establishment
25	of the proposed NID by filing objections with the clerk
26	for the governing body of the municipality within 45 days
27	of presentation of the final plan where the governing
28	body of the municipality is inclined to establish the
29	NID.
30 <u>(d)</u>	Final plan

1	(1) Prior to the establishment of an NID, the
2	municipality shall submit a revised final plan to property
3	owners located within the proposed NID which incorporates
4	changes made to the plan based on comments from affected
5	property owners within the NID provided at the public
6	hearings or at some other time.
7	(2) Changes to the final plan which differ from the
8	preliminary plan shall also be so indicated in an easily
9	discernible method for the reader, including, but not limited
10	to, changes being in boldfaced or italicized type.
11	(e) Public hearing
12	(1) At least one public hearing for the purpose of
13	receiving public comment on any revisions to the preliminary
14	plan made following suggestions by affected property owners
15	within the proposed NID and reflected in the final NIDP shall
16	be held by the municipal corporation before enacting an
17	ordinance establishing an NID.
18	(2) Notice of the hearing shall be advertised at least
19	10 days prior thereto in a newspaper of general circulation
20	in the municipality.
21	(f) Veto of final plan for NID
22	(1) Following the last public hearing required under
23	subsection (e) or under subsection (g) if there is an
24	amendment to the final plan, affected property owners located
25	within a proposed NID shall have 45 days from the date of the
26	hearing to object to and disapprove the final plan or any
27	amendment to the final plan under the requirements of
28	subsection (b)(3).
29	(2) If 40% or more of the affected property owners
30	within the proposed NID fail to register their disapproval of

1	the final plan or amendment to the final plan in writing with
2	the clerk of the governing body of the municipality in which
3	the NID is proposed, the governing body of the municipality
4	may, following the 45-day period, enact a municipal ordinance
5	establishing an NID under this subchapter or, in the case of
6	an amendment to the final plan, adopt any amendments to the
7	ordinance.
8	(g) Amendments to final plan
9	(1) The final plan may be amended by the NIDMA any time
10	after the establishment of an NID, under the provisions of
11	this subchapter, upon the recommendation of the NIDMA board,
12	provided there is concurrence with 60% of the property owners
13	within the NID.
14	(2) Amendments to the final plan which also require the
15	approval of the governing body of the municipality
16	establishing the NID include:
17	(i) Substantially changed or added programs,
18	improvements or services to be provided in the NID.
19	(ii) Increased expenditures affecting more than 25%
20	of the total NIDMA budget for the fiscal year.
21	(iii) Incurring increased indebtedness.
22	(iv) Changing the assessment fee structure levied on
23	property owners in the NID.
24	(v) Changing the legal entity of the NIDMA which
25	provides programs, improvements and services within the
26	NID.
27	(vi) Changing the NID service area boundary.
28	Prior to the governing body of the municipality approving any
29	change enumerated in this paragraph, the governing body shall
30	hold at least one public hearing to determine that the change

- 1 <u>is in the public interest as it relates to affected property</u>
- 2 <u>owners within the NID.</u>
- 3 (3) The municipality shall provide public notice of the
- 4 <u>hearing for the amendment by publication of a notice in at</u>
- 5 <u>least one newspaper having a general circulation in the NID</u>
- 6 specifying the time and place of such hearing and the
- 7 <u>amendment to be considered. The notice shall be published</u>
- 8 once at least 10 days prior to the date of the hearing.
- 9 <u>(4) The governing body of the municipality may within 30</u>
- days following the public hearing and, at its sole
- discretion, approve or disapprove of the amendment to the
- 12 plan. If approved, the amendment shall be effective upon the
- date of such approval.
- 14 (5) Prior to the adoption of an amendment to the NID
- boundary which increases the size of the NID, any owner of
- property to be added to the NID shall be notified of the
- 17 date, time and location of the public hearing on the proposed
- amendment to the final plan and provided all information
- 19 required by subsection (c).
- 20 § 6226. Neighborhood improvement district management
- 21 associations.
- 22 (a) Designation. -- When a municipality establishes an NID
- 23 under this subchapter, an NIDMA shall be designated by the
- 24 governing body of the municipality in which the NID is to be
- 25 located to administer programs, improvements and services within
- 26 the NID.
- 27 <u>(b) Administration.--</u>
- 28 (1) NIDs established under this subchapter shall be
- 29 <u>administered by an NIDMA which shall be an authority</u>
- 30 established under the former act of May 2, 1945 (P.L.382,

- 1 No.164), known as the Municipality Authorities Act of 1945,
- 2 <u>or Chapter 56 (relating to municipal authorities), an</u>
- 3 existing nonprofit development corporation, an existing
- 4 <u>nonprofit corporation or a nonprofit development corporation</u>
- 5 <u>or nonprofit corporation established by the governing body or</u>
- authorized to be established by the governing body of the
- 7 <u>municipality in which the NID is to be located, to administer</u>
- 8 the NIDP.
- 9 (2) If an active nonprofit development corporation
- 10 already exists within the geographic boundaries of the NID
- and formally indicates its interest to the governing body of
- 12 <u>the municipality to become the designated NIDMA, the</u>
- 13 governing body of the municipality shall grant that request
- 14 <u>unless 40% or more of the affected property owners within the</u>
- 15 <u>proposed NID register their disapproval of this designation</u>
- 16 <u>in writing with the clerk of the governing body within a 45-</u>
- day period following the formal written request for
- designation by the nonprofit development corporation to
- 19 become the NIDMA.
- 20 (c) Powers. -- An NIDMA established under this subchapter
- 21 shall assume all powers provided for in section 6227 (relating
- 22 to powers of neighborhood improvement district management
- 23 association) immediately upon the effective date of the
- 24 municipal ordinance enacted under section 6224 (relating to
- 25 powers of municipal corporation) establishing the NID.
- 26 (d) Board. -- An NIDMA shall have an administrative board as
- 27 follows:
- 28 (1) Where an authority established under the former
- 29 Municipality Authorities Act of 1945 or Chapter 56 serves as
- 30 the NIDMA, the board shall be appointed under the former

- 1 Municipality Authorities Act of 1945 or Chapter 56, as
- 2 <u>applicable</u>.
- 3 (2) Where an existing nonprofit development corporation
- 4 <u>or other nonprofit corporation is to serve as the NIDMA, the</u>
- 5 board shall be appointed according to the bylaws of the NIDMA
- 6 <u>filed with the Department of State.</u>
- 7 (3) Where a nonprofit development corporation or other
- 8 <u>nonprofit corporation is established to serve as the NIDMA</u>
- for an NID, the board shall be comprised of an odd number of
- 10 members, between five and nine, with at least one member
- 11 representing the municipal corporation in which the NID is
- 12 <u>located.</u>
- 13 <u>(4) In all cases, an NIDMA board shall include a</u>
- representative of property owners located in the NID,
- business owners located in the NID and any institution
- located in the NID. Institutional members may appoint a
- designee to represent them. All board members need not be
- 18 residents of the NID.
- 19 § 6227. Powers of neighborhood improvement district management
- 20 association.
- 21 (a) General powers. -- An NIDMA shall have, in addition to any
- 22 other powers provided under Chapter 56 (relating to municipal
- 23 authorities), where the NIDMA is an authority, or in addition to
- 24 any other powers provided under the charter establishing a
- 25 <u>nonprofit development corporation or other nonprofit</u>
- 26 corporation, where the NIDMA is a nonprofit development
- 27 corporation or other nonprofit corporation, the power to:
- 28 (1) Sue or be sued, implead or be impleaded, complain
- 29 <u>and defend in all courts.</u>
- 30 (2) Employ an executive director or administrator and

1	any necessary supporting staff or contract for the provision
2	of same.
3	(3) Prepare planning or feasibility studies or contract
4	for the preparation of same to determine needed capital
5	improvements or administrative programs and services within
6	the NID.
7	(4) Make capital improvements or provide administrative
8	programs and services within an NID.
9	(5) Purchase, own, construct, renovate, develop,
L 0	operate, rehabilitate, manage, sell or dispose of real
1	property.
_2	(6) Contract with existing businesses within the NID.
_3	(7) Contract for the provision of products or services
_4	by the NIDMA to clients located inside and outside of the
.5	NID, including billing and collection of assessment fees by
-6	another NIDMA.
_7	(8) Appropriate and expend NID funds which would include
8	any Federal, State or municipal funds received by the NIDMA.
9	The funds shall be expended in accordance with any specific
20	provisions contained in the municipal enabling ordinance
21	establishing the NID and may be used:
22	(i) To acquire by purchase or lease real or personal
23	property to effectuate the purposes of this subchapter,
24	including making common improvements within the NID,
25	including, but not limited to, sidewalks, retaining
26	walls, street paving, parks, recreational equipment and
27	facilities, open space, street lighting, parking lots,
28	parking garages, trees and shrubbery, pedestrian walks,
29	sewers, water lines, rest areas and the acquisition,
30	rehabilitation or demolition of blighted buildings or

1	comparable structures.
2	(ii) To provide free or reduced-fee parking for
3	customers of businesses within the NID, transportation-
4	related expenditures, public relations programs, group
5	advertising and NID maintenance and security services.
6	(iii) To impose special assessment fees.
7	(9) Solicit in-kind services or financial contributions
8	from tax-exempt property owners within the NID in lieu of
9	property assessment fees. This may include entering into
10	voluntary multiyear agreements between the NIDMA and tax-
11	exempt property owners located within an NID for the
12	provision of same.
13	(10) Impose liens on property for the nonpayment of
14	property assessments. An NID administered by a nonprofit
15	corporation would have any such liens filed by the municipal
16	corporation.
	<del></del>
17	(11) Hire additional off-duty police officers or private
17 18	
	(11) Hire additional off-duty police officers or private
18	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are
18 19	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the
18 19 20	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to
18 19 20 21	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at
18 19 20 21 22	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at reducing crime and improving security in the NID.
18 19 20 21 22 23	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at reducing crime and improving security in the NID.  (12) Designate a district advisory committee for each
18 19 20 21 22 23 24	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at reducing crime and improving security in the NID.  (12) Designate a district advisory committee for each NID established within the municipality. The committee shall
18 19 20 21 22 23 24 25	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at reducing crime and improving security in the NID.  (12) Designate a district advisory committee for each NID established within the municipality. The committee shall consist of an odd number of members, between five and nine,
18 19 20 21 22 23 24 25 26	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at reducing crime and improving security in the NID.  (12) Designate a district advisory committee for each NID established within the municipality. The committee shall consist of an odd number of members, between five and nine, who must represent the neighborhood's character, including,
18 19 20 21 22 23 24 25 26 27	(11) Hire additional off-duty police officers or private security officers whose patrol area responsibilities are limited to the geographical area incorporated within the designated NID service area and whose responsibility is to support existing municipal and volunteer efforts aimed at reducing crime and improving security in the NID.  (12) Designate a district advisory committee for each NID established within the municipality. The committee shall consist of an odd number of members, between five and nine, who must represent the neighborhood's character, including, but not limited to, age, sex and cultural diversity.

1	within the NID a special property assessment fee. Revenues
2	from the fee shall be accounted for and used by the NIDMA to
3	make improvements and provide programs and services within
4	the NID as authorized by this subchapter. Where the district
5	established is a bid, the NIDMA may exempt residential
6	property owners from any special assessment fees levied.
7	(2) All assessments authorized under this section shall
8	be calculated using January 1 as the first day of the fiscal
9	year.
10	(3) All special property assessment fees shall be based
11	upon the estimated cost of the programs, improvements or
12	services to be provided in the NID as stated in the final
13	plan under section 6225(d) (relating to neighborhood
14	improvement districts). In no case shall the aggregate amount
15	of all fees levied by the NIDMA during the year exceed the
16	estimated cost of proposed programs, improvements and
17	services for the year.
18	(4) In the case of an NID which contains a combination
19	of business, residential, industrial or institutional areas
20	and uses, a weighted assessment may be instituted. In such
21	case, the fee levied on property owners generally may be
22	weighted higher for business, industrial or institutional
23	properties than that levied on residential property owners,
24	provided that the basis for the calculation of the fee meets
25	the rational nexus test.
26	(5) The total costs of improvements, programs and
27	administrative services provided by the NIDMA shall be
28	assessed to all designated properties within the NID by one
29	of the following methods:

Τ	total service and improvement costs by the ratio of the
2	assessed value of the benefited property to the total
3	assessed valuation of all designated benefited properties
4	in the NID.
5	(ii) An assessment upon the several properties in
6	the NID in proportion to benefits as ascertained by
7	viewers appointed in accordance with law.
8	(iii) Any method that equitably apportions costs
9	among benefiting properties.
10	(iv) In the case of improvements benefiting
11	properties abutting the NID by the front-foot method,
12	with equitable adjustments for corner properties and
13	other cases provided for in the municipal ordinance. Any
14	property which cannot be equitably assessed by the front-
15	foot method may be assessed by any of the methods
16	enumerated in subparagraphs (i), (ii) and (iii).
17	(c) Payment
18	(1) The governing body may by ordinance authorize the
19	payment of the assessment in equal annual or more frequent
20	installments over such time and bearing interest at the rate
21	specified in the municipal ordinance.
22	(2) If bonds have been issued and sold or notes or
23	guarantees have been given or issued to provide for the cost
24	of the services and improvements, the assessment in equal
25	installments shall not be payable beyond the term for which
26	the bonds, notes or guarantees are payable.
27	<u>(d) Liens</u>
28	(1) Notwithstanding the filing of the claims, all
29	assessments which are made payable in installments shall
30	constitute liens and encumbrances upon the respective

Τ	benefited properties at the beginning of each calendar year,
2	except as provided in subsection (c), and only in an amount
3	equal to the sum of:
4	(i) the annual or other installments becoming
5	payable in such year, with interest and penalties, if
6	any, thereon; and
7	(ii) the total of all installments, with interest
8	and penalties thereon, which became due during prior
9	years and which remain due and unpaid at the beginning of
10	the current year.
11	(2) In the case of default in the payment of any
12	installment and interest for a period of 90 days after the
13	payment becomes due, the assessment ordinance may provide
14	either for the entire assessment, with accrued interest and
15	penalties, to become due and become a lien from the due date
16	of the installment or may provide solely for the enforcement
17	of the claim as to the overdue installment, with interest and
18	penalties, in which case the ordinance shall further provide
19	that if any installment or portion thereof remains due and
20	unpaid for one year after it has become due and payable, then
21	the entire assessment with accrued interest and penalties
22	shall become due and become a lien from the due date of the
23	<u>installment.</u>
24	(3) No action taken to enforce a claim for any
25	installment or installments shall affect the status of any
26	subsequent installment of the same assessment, each of which
27	shall continue to become a lien upon the property annually
28	under paragraph (1).
29	(4) The ordinance may contain any other provision
30	relating to installment assessments which is not inconsistent

- 1 with applicable law.
- 2 (5) An owner of property against whom an assessment has
- 3 been made may pay the assessment in full at any time, with
- 4 <u>accrued interest and costs thereon. The payment shall</u>
- 5 <u>discharge the lien of the assessment or installments then</u>
- 6 constituting a lien and release the claim to any later
- 7 <u>installments.</u>
- 8 (6) Claims to secure the assessments shall be entered in
- 9 <u>the prothonotary's office of the county at the same time and</u>
- in the same form and collected in the same manner as
- 11 <u>municipal tax claims are filed and collected, notwithstanding</u>
- the provisions of this section as to installment payments.
- 13 § 6228. Additional powers of neighborhood improvement district
- 14 <u>management association in a cultural district.</u>
- 15 (a) General rule. -- In addition to the powers listed in
- 16 <u>section 6227 (relating to powers of neighborhood improvement</u>
- 17 district management association), an NIDMA that is established
- 18 to oversee a cultural improvement district shall have the powers
- 19 enumerated in this section.
- 20 (b) Grant program.--
- 21 (1) The NIDMA board may annually distribute funds
- 22 through a cultural district grant program. The cultural
- 23 district grant program shall distribute funds throughout the
- 24 cultural district to fund projects that improve the cultural
- 25 nature of the district.
- 26 (2) Applicants must submit the grant application to the
- 27 board between January 1 and March 1 and use the standard form
- 28 provided by the NIDMA board.
- 29 (3) Between March 1 and April 1, the NIDMA board shall
- 30 review the submitted applications.

Τ.	(4) The applicants of applications that are missing any
2	information shall be notified through the mail and given 15
3	days to supply the missing information.
4	(5) Between April 1 and June 1, the NIDMA board shall
5	convene two public hearings to receive public comment in
6	regards to the applications being considered. The hearings
7	shall be advertised in accordance with the provisions of 65
8	Pa.C.S. Ch. 7 (relating to open meetings).
9	(6) (i) Between June 1 and June 30, the board shall
10	meet to discuss the comments provided by the public and
11	vote on the applications.
12	(ii) Any grant must be approved or rejected by the
13	majority of the entire NIDMA board membership.
14	(iii) The NIDMA board shall not be required to
15	approve grants every year.
16	(7) (i) On or after August 1 but not later than
17	September 1, the NIDMA board shall hold a public meeting
18	to announce which grants have received approval. The
19	board shall notify each applicant of the board decision.
20	(ii) If the application is rejected, the board shall
21	provide comments describing why the application was
22	rejected.
23	(iii) Rejection of an application does not prevent
24	an applicant from reapplying at a later date.
25	(c) Demonstration of benefit required Funds distributed
26	through the application process provided for under this section
27	must provide a benefit to the entire cultural district.
28	(d) Restriction No funds distributed under this section
29	may be used for the payment of salaries or the replacement of
30	equipment.

1	§ 6229. Dissolution of neighborhood improvement district
2	management association and neighborhood improvement
3	district.
4	(a) Conveying projects When an NIDMA has finally paid and
5	discharged all bonds which together with the interest due
6	thereon are secured by a pledge of any of the revenues or
7	receipts of a project, it may, subject to any agreements
8	concerning the operation or disposition of the project and the
9	NIDMA bylaws, convey the project or projects to the municipal
10	corporation which established the NIDMA.
11	(b) Request for termination by assessed property owners
12	(1) Any request for the termination of the NID and NIDMA
13	approved by 40% of the assessed property owners, in numbers,
14	located in the NID must be submitted to the governing body of
15	the municipality in writing.
16	(2) The governing body shall hold a hearing on the
17	merits of the request, under section 6225(b)(2) (relating to
18	neighborhood improvement districts) as it relates to the
19	required procedure of holding a hearing.
20	(3) The request shall be considered by the governing
21	body of the municipality.
22	(4) If the request is approved by the governing body of
23	the municipality, then a resolution to that effect shall be
24	filed with the Secretary of the Commonwealth.
25	(5) The Secretary of the Commonwealth shall note the
26	termination of the existence on the record of incorporation
27	and return the resolution with the secretary's approval shown
28	on the resolution to the municipal corporation.

29 (6) Upon the secretary's receipt of the notice, the
30 property of the NIDMA shall pass to the municipal

- 1 corporation, as the case may be, and the NIDMA and NID shall
- 2 cease to exist.
- 3 (c) Request for termination by governing body. --
- 4 (1) A request for the termination of the NID and NIDMA
- 5 by the governing body of the municipality in which the NID is
- 6 located shall result in a hearing on the merits of the
- 7 request, under section 6225(b)(2) as it relates to the
- 8 <u>required procedure for holding a hearing.</u>
- 9 (2) Before the decision to terminate an NID and NIDMA is
- 10 made, the termination must be approved by 40% of the assessed
- 11 property owners, in numbers, located in the NID and shall be
- 12 <u>submitted to the governing body of the municipality in</u>
- 13 <u>writing.</u>
- 14 (3) The written request shall be considered by the
- governing body of the municipality. If the request is
- 16 approved by the governing body of the municipality, then a
- 17 resolution to that effect shall be filed with the Secretary
- of the Commonwealth.
- 19 (4) The Secretary of the Commonwealth shall note the
- termination of the existence on the record of incorporation
- and return the resolution with the secretary's approval shown
- 22 <u>to the municipal corporation.</u>
- 23 (5) Upon the secretary's receipt of the notice, the
- 24 property of the NIDMA shall pass to the municipal
- 25 corporation, as the case may be, and the NIDMA and NID shall
- 26 cease to exist.
- 27 § 6230. Annual audit; report.
- The NIDMA shall annually:
- 29 <u>(1) Submit an audit of all income and expenditures to</u>
- 30 the Department of Community and Economic Development and the

- 1 governing body of the municipality in which the NID is
- 2 located within 120 days after the end of each fiscal year.
- 3 (2) Submit a report, including financial and
- 4 programmatic information, including a summary of audit
- 5 <u>findings, to the governing body of the municipality in which</u>
- 6 <u>the NID is located and to all assessed property owners</u>
- 7 located in the NID.
- 8 <u>§ 6231. Applicability.</u>
- 9 (a) Existing districts. -- Except as provided for in
- 10 subsection (d), any existing business improvement district or
- 11 downtown improvement district established prior to February 19,
- 12 2001, shall remain in existence and shall be governed by Chapter
- 13 56 (relating to municipal authorities), insofar as it relates to
- 14 business improvement districts, or Chapter 54 (relating to
- 15 business improvement districts).
- (b) Districts established subsequently. -- Any NID established
- 17 on or after February 19, 2001, shall be governed by the
- 18 provisions of this subchapter.
- 19 (c) Previously terminated districts.--Any business
- 20 improvement district or downtown improvement district in
- 21 <u>existence prior to February 19, 2001, which is terminated shall,</u>
- 22 upon its reestablishment, be governed by the provisions of this
- 23 subchapter. This shall include any termination resulting from a
- 24 sunset provision in any municipal agreement or ordinance.
- 25 (d) Additional requirements. -- Any business improvement
- 26 district or downtown improvement district in existence on or
- 27 <u>after February 19, 2001, shall:</u>
- 28 (1) Be required to carry out any duty or responsibility
- imposed on NIDs under this subchapter.
- 30 (2) Possess any additional power given to NIDs under

- 1 <u>this subchapter without having to restructure or reorganize</u>
- 2 <u>under this subchapter.</u>
- 3 Section 2. Repeals are as follows:
- 4 (1) The General Assembly declares that the repeal under
- 5 paragraph (2) is necessary to effectuate the addition of 53
- 6 Pa.C.S. Ch. 62 Subch. C.
- 7 (2) The act of December 20, 2000 (P.L.949, No.130),
- 8 known as the Neighborhood Improvement District Act, is
- 9 repealed.
- 10 Section 3. The addition of 53 Pa.C.S. Ch. 62 Subch. C is a
- 11 continuation of the former act of December 20, 2000 (P.L.949,
- 12 No.130), known as the Neighborhood Improvement District Act. The
- 13 following apply:
- 14 (1) Except as otherwise provided in 53 Pa.C.S. Ch. 62
- Subch. C, all activities initiated under the the Neighborhood
- 16 Improvement District Act shall continue and remain in full
- force and effect and may be completed under 53 Pa.C.S. Ch. 62
- 18 Subch. C. Orders, regulations, rules and decisions which were
- 19 made under the Neighborhood Improvement District Act and
- which are in effect on the effective date of this section
- shall remain in full force and effect until revoked, vacated
- or modified under 53 Pa.C.S. Ch. 62 Subch. C. Contracts,
- 23 obligations and collective bargaining agreements entered into
- 24 under the Neighborhood Improvement District Act are not
- affected nor impaired by the repeal of the Neighborhood
- 26 Improvement District Act.
- 27 (2) Except as set forth in paragraph (3), any difference
- in language between 53 Pa.C.S. Ch. 62 Subch. C and the
- 29 Neighborhood Improvement District Act is intended only to
- 30 conform to the style of the Pennsylvania Consolidated

- 1 Statutes and is not intended to change or affect the
- 2 legislative intent, judicial construction or administration
- 3 and implementation of the Neighborhood Improvement District
- 4 Act.
- 5 (3) Paragraph (2) does not apply to the addition of the
- following provisions:
- 7 (i) The definitions of "cultural improvement
- 8 district" and "neighborhood improvement district" in 53
- 9 Pa.C.S. § 6223.
- 10 (ii) 53 Pa.C.S. § 6228.
- 11 Section 4. This act shall take effect in 60 days.