



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1410

PRINTERS NO. 2161

PRIME SPONSOR: Stephens

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See Fiscal Impact

SUMMARY: House Bill 1410, Printer's Number 2161, amends the Transit Revitalization Investment District Act (Act 238 of 2004) by adding Chapter 3-A providing for military installation remediation and per- and polyfluoroalkyl substances remediation. The act shall take effect immediately.

ANALYSIS: This legislation adds Chapter 3-A creating the Military Installation Remediation Program to address remediation costs incurred in a qualified municipality. A qualified municipality is a municipality which has within its geographic bounds a qualified former military installation.

A qualified former military installation is a parcel that was previously used by a branch of the United States Armed Forces for a military installation that was officially disestablished based on the recommendation of the Defense Base Closure and Realignment Commission no more than 15 years prior to the effective date. A qualified authority is a municipal authority established under 53 Pa.C.S. Ch. 56 after the effective date for the purpose of funding military installation remediation projects.

A qualified authority shall submit an application to the Department of Revenue which shall include a list of the parcels as designated by the authority including a qualified former military installation, the parcels previously subject to development restrictions due to the presence of the qualified former military installation and no more than 100 acres of parcels which are deteriorated. The application shall also include the relevant geographic data, parcel numbers, evidence of the development restrictions and such additional information as may be prescribed by the department. A qualified authority may file an amended or supplemental application on an annual basis. Parcels included within the application that meet criteria shall receive full designation for the program. A designation shall occur within 60 days after the submission of the application. An application approved shall be in effect for a period no later than 30 years from the effective date.

By October 15, 2019, June 1, 2020 and each June 1 thereafter, a qualified authority shall file an annual report with a list of all qualified taxpayers located in the designated parcels and a commitment from the governing board of a municipality that approves designating local revenues to be used for the local efforts. All businesses and residents located in or residing in the designated parcels, all businesses engaged in acquisition, development and construction in designated parcels including, the address, names of the business owners or corporate officers, State tax identification number and a map with parcel numbers shall also be included. If the annual report is not timely filed, the department may refuse to certify the eligible taxes.

By November 15, 2019, September 1, 2020 and each September 1 thereafter, each qualified taxpayer shall file a parcel report with the department that includes the amount of each qualified tax paid and the amount of each qualified tax refund received in the prior calendar year. By January 15, 2020, December 1, 2020 and each December 1 thereafter, the department shall certify to the Office of the Budget the amount of eligible tax paid by each qualified taxpayer and the amount of State tax refunds received less the amount of eligible State tax paid. Within 5 days of receiving the certification, the Office of the Budget shall direct the State Treasurer to transfer the amount of certified qualified tax from the General Fund to each special fund established for the benefit of a qualified authority and the transfer shall occur within 10 days of receiving the direction. Monies in the fund shall be utilized for operational costs for the qualified authority. Excess monies shall be used to offset any surcharge applied to customers for remediation, to offset any amounts billed to customers for remediation and to offset the cost of connecting a residence with a private well. Any other monies remaining may be used for transportation infrastructure and economic development costs or payment of debt service on bonds issued or refinanced for the acquisition, development, construction, reconstruction, renovation or refinancing of remediation projects of the qualified municipality.

Monies transferred to the fund may not exceed 500% of the local taxes and additional money designated and transferred to the qualified authority for the prior year. Any excess money not utilized, designated or budgeted shall be returned to the State Treasurer and deposited into the General Fund by April 15.

The governing body of a qualified authority shall be composed of the following members:

1. Two members from the Senate subject to the following: (1) a member of the Senate permanently residing in the qualified municipality; (2) a member of the Senate permanently residing in a municipality immediately adjacent to the qualified municipality; and (3) if either does not apply, the President Pro-Tempore of the Senate shall appoint a permanent resident or residents of the appropriate municipality.
2. Two members from the House of Representatives subject to the following: (1) a member of the House permanently residing in the qualified municipality; (2) a member of the House permanently residing in a municipality immediately adjacent to the qualified municipality; and (3) if either does not apply, the Speaker of the House shall appoint a permanent resident or residents of the appropriate municipality.
3. One permanent resident of the qualified municipality appointed by a school district which has within its geographic bounds a qualified former military installation;
4. One permanent resident of the qualified municipality appointed by an authority established to redevelop the qualified former military installation; and
5. One permanent resident of the qualified municipality appointed by the governing body of the qualified municipality.

Members appointed under (1), (2) and (4) above shall serve a 5-year term. All other members shall serve a 4-year term.

Additionally, Section 301.1-A is added establishing the Per- and Polyfluoroalkyl Substances Program within the Pennsylvania Infrastructure Investment Authority (PENNVEST). In addition to any other programs in PENNVEST, from funds available PENNVEST shall provide grants under the Per- and Polyfluoroalkyl Program for the costs of remediation relating to the presence of per- and polyfluoroalkyl substances in drinking water which are not related to the presence of a qualified former military installation. Eligible applicants shall be water providers with per- and polyfluoroalkyl substances in the municipality's drinking water. PENNVEST shall establish guidelines for the remediation program.

FISCAL IMPACT: Enactment of this legislation will provide funds to pay costs of qualified military installation remediation projects by redirecting State tax revenues, which are generated from a specified list of parcels located within the geographic bounds of the municipality, from the General Fund to the qualified authority. The exact fiscal cost is unknown and will depend on the parcels that are designated within the municipality, the cost of the military installation remediation projects and the amount of economic activity generated from the designated parcels located in the qualified municipality.

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House Appropriations Committee (R)

DATE: June 18, 2019

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.