

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 944

**PRINTER NO.** 2846

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

April 15, 2015

**PRIME SPONSOR**

Representative Taylor

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 944 amends the Community and Economic Improvement Act (Act 174 of 1998) to improve the management of neighborhood improvement districts in Philadelphia.

The legislation adds a definition for the terms “affected property owner”, “curb market stand”, and “property owner”. The addition of these defined terms provides that a holder of a license to operate a curb market stand is a property owner in a neighborhood improvement district (NID). Furthermore, the terms clarify to whom notice of hearings must be given and who has standing to object to the proposed neighborhood improvement district.

House Bill 944 removes the ability of the municipality to utilize its power of eminent domain for the purpose of making physical improvements within the NID.

The legislation amends the specific procedures regarding the creation of neighborhood improvement districts by requiring that a copy of the preliminary plan or any revised plan for the NID for which a public hearing must be held is to be sent to all affected property owners at least 30 days prior to the hearing. The act currently mandates at least one public hearing, and House Bill 944 removes the existing requirement that multiple public hearings be held no sooner than 15 days apart. The bill provides that a second public hearing is required only when there are revisions to the preliminary plan that are not merely technical in nature.

Objections to the proposed NID may be filed by affected property owners within the NID in writing, must be signed by the property owner, and must identify the address of any property owner for which objection is being made. Such objections must be filed in the office of the clerk for the governing body of the municipality in which the NID is proposed at any time but no more than 45 days after the hearing held on the final plan. An objection filed in connection with a preliminary plan or a revised preliminary plan shall constitute an objection to the final plan unless withdrawn by the objector.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

House Bill 944 lowers the percentage of objectors required to defeat a proposed NID from the existing 51% of property owners to a new threshold of either affected property owners representing the ownership of at least one-third of the properties owned by affected property owners within the NID, or the affected property owners, the value of whose properties, as assessed for taxable purposes, amounts to at least one-third of the total property valuation of property owned by affected property owners.

The holding of a license to operate a curb market stand, which brings the person within the definition of a property owner, shall be considered ownership of a property.

The legislation amends the preliminary plan requirements such that a proposed budget for each year of operation of the NID covered by the plan be included as opposed to just for the first fiscal year, as the act presently provides.

With regard to the approval of the final plan for the NID, House Bill 944 provides that if fewer than the number of objections needed to prohibit the adoption of a NID plan, or an amendment to an NID plan, are received within 45 days after a hearing on the final plan, the governing body may enact a municipal ordinance establishing an NID under this act or adopt any amendments to the ordinance.

With regard to amendments to a final plan, the legislation provides that the NID board may amend the NID final plan at any time after the establishment of the district, provided that the board notifies in writing all affected property owners of any amendment and the property owners' right to file objections to the amendment. If, within 45 days of notification, affected property owners representing the ownership of at least one-third of the affected properties, or affected property owners whose property valuation amounts to at least one-third of the total property valuation within the NID file objections to the amendment, the plan shall not be amended. In addition to other existing conditions requiring the approval of the governing body to amend the final plan, House Bill 944 provides that approval is required if amendments increase the budget for any year with respect to which a budget has been approved in a NID plan approved by the governing body.

House Bill 944 amends existing provisions regarding the creation of NID management associations such that where a nonprofit development corporation, or other nonprofit corporation, has been established to serve as the NID management association, the maximum number of members of the board is increased from nine to fifteen. The legislation removes the requirement that January 1 must be the first day of the NID's fiscal year.

The legislation amends the existing annual audit requirements so that such audits must also be submitted to any other municipal department designated by the NID ordinance, and a report must be submitted to any other municipal department, designated by the NID ordinance, within 120 days after the end of the fiscal year.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

House Bill 944 provides that a business improvement district (BID) may be established or continued pursuant to the provisions of this act or the provisions of the Municipality Authorities Act of 1945, insofar as it relates to business improvement districts.

House Bill 944 shall take effect in 60 days.

### **FISCAL IMPACT:**

House Bill 944 will have no adverse impact on Commonwealth or City of Philadelphia funds.