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House of Representatives  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

December 14, 2020

To: All House Members  
From: Representative Dan Deasy  
Subject: Establishing Cultural Development Districts (formerly HB 228)

I hope you will co-sponsor my legislation that will establish a Cultural Development District program as a means to create jobs, reduce blight and revitalize distressed communities within the Commonwealth.

The arts not only offer important educational, social, health and environmental benefits, but are also an important economic development tool. Studies have shown that the arts, and a vibrant cultural life, help to bolster the economies of older communities that have become hollowed out by the out-migration of residents and retail establishments to the suburbs.

Under my legislation, municipalities would be able to propose the establishment of so-called “cultural development districts”. The districts would be defined, geographically-contiguous areas surrounding a cultural anchor, such as major art institutions, community arts centers, entertainment businesses, museums, markets, theaters, and similar entities.

The program would be administered by the Department of Community and Economic Development (DCED). They would review the applications submitted by municipalities and decide as to whether the area meets the criteria for designation. If approved, all businesses and residents within the district would be exempt from state taxes for five years and then would be responsible for a portion of the taxes for the next four years, with an increased percentage being due each year until fully reinstated. Priority consideration would be given to municipalities that have existing Main Street or Elm Street programs.

Neighborhoods in which cultural facilities are present have a great potential to become vibrant communities as visitors to such facilities may also patronize nearby businesses. The tax credit provided under this bill would be a catalyst for the establishment of new businesses and housing that would result in increased occupancy, commerce, jobs, and sense of community identity.

Please consider co-sponsoring my legislation. Thank you.

Those that co-sponsored this bill during the 2019-2020 legislative session: **DEASY, READSHAW, STURLA, FREEMAN, CIRESI, LONGIETTI, HILL-EVANS, KORTZ, McCLINTON and MATZIE**