
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1676 Session of
2017

INTRODUCED BY PETRI, V. BROWN, CALTAGIRONE, D. COSTA, FREEMAN,
LONGIETTI, MILLARD, O'BRIEN, SCHLOSSBERG AND SCHWEYER,
JULY 21, 2017

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JULY 21, 2017

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, providing for cultural improvement
3 district advisory committees and for neighborhood improvement
4 districts; and repealing the Neighborhood Improvement
5 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 Subchapter

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.

1 6202. Cities of the first class.

2 § 6201. Scope of chapter.

3 This chapter relates to neighborhood improvement districts.

4 § 6202. Cities of the first class.

5 A city of the first class may establish under Subchapter B
6 (relating to cultural improvement district advisory committees)
7 a cultural improvement district in the same manner as a
8 neighborhood improvement district under the act of December 21,
9 1998 (P.L.1307, No.174), known as the Community and Economic
10 Improvement Act.

11 SUBCHAPTER B

12 CULTURAL IMPROVEMENT DISTRICT

13 ADVISORY COMMITTEES

14 Sec.

15 6211. Legislative findings.

16 6212. Definitions.

17 6213. Cultural improvement district advisory committees.

18 6214. Programs to consider.

19 6215. Local taxing options.

20 6216. Authorization of taxes.

21 § 6211. Legislative findings.

22 The General Assembly finds that:

23 (1) Municipalities across this Commonwealth contain
24 valuable and distinct geographical areas comprised
25 predominantly of real property containing institutions of
26 cultural or historical significance and the businesses and
27 neighborhoods which directly benefit from such institutions.

28 (2) Many of these municipalities are enriched by
29 educational, social or recreational opportunities that are
30 established or supported by these geographical areas of

1 cultural or historical significance.

2 (3) Regions, municipalities, school districts, residents
3 and businesses benefit directly and indirectly by the
4 availability of these educational, social or recreational
5 opportunities.

6 (4) Despite their inherent value to the surrounding
7 regions and municipalities, the public, private and not-for-
8 profit entities which own or operate the institutions
9 comprising these areas of cultural or historical significance
10 frequently face financial challenges to meet the necessary
11 costs of operation while making the benefits to the public
12 broadly available.

13 (5) Although many programs have been established by the
14 General Assembly that may support the ongoing availability
15 and development of these public benefits and the preservation
16 of areas and institutions of cultural or historical
17 significance, local governments may nevertheless be unaware
18 of economic development programs that could support these
19 areas and institutions.

20 (6) It is therefore necessary to provide local
21 governments with a process by which to appoint a committee to
22 explore the utilization of available economic development
23 programs to support and develop such areas and institutions
24 of cultural or historical significance.

25 § 6212. Definitions.

26 The following words and phrases when used in this subchapter
27 shall have the meanings given to them in this section unless the
28 context clearly indicates otherwise:

29 "Committee." A committee established under section 6213
30 (relating to cultural improvement district advisory committees).

1 "Cultural improvement district." The term shall have the
2 same meaning given to it in Subchapter C (relating to
3 neighborhood improvement districts).

4 "Governing body." A city council, borough council,
5 incorporated town council, board of township commissioners or
6 board of township supervisors, the governing council of any unit
7 of government established and existing under Subpart E of Part
8 III (relating to home rule and optional plan government) or the
9 governing council of any similar general purpose unit of
10 government established by statute.

11 "Municipality." A city, borough, incorporated town, township
12 or home rule municipality.

13 "Neighborhood improvement district." The term shall have the
14 same meaning as given to it in Subchapter C (relating to
15 neighborhood improvement districts) and, in relation to a city
16 of the first class, the act of December 21, 1998 (P.L.1307,
17 No.174), known as the Community and Economic Improvement Act.
18 § 6213. Cultural improvement district advisory committees.

19 (a) Establishment.--The governing body of a municipality may
20 establish by ordinance a cultural improvement district advisory
21 committee under this subchapter. The members of the committee
22 shall be appointed by a majority vote of a quorum of the
23 governing body and shall serve at the pleasure of the governing
24 body. The committee shall be comprised of:

25 (1) Not less than five but not more than nine members as
26 specified in the ordinance.

27 (2) Representatives of residents, nonprofit
28 organizations, institutions and business owners within the
29 municipality, who shall be representative of and reside or
30 work in the geographic area within and surrounding

1 institutions of cultural or historical significance in the
2 municipality.

3 (b) Compensation prohibited.--Members shall serve without
4 compensation, but may be reimbursed for reasonable expenses at
5 the governing body's discretion and as specified in the
6 ordinance.

7 (c) Duties.--The committee shall have the following duties:

8 (1) Hold public meetings and consider:

9 (i) Whether the municipality may benefit from any
10 economic development program or other program under the
11 laws of this Commonwealth or the United States which
12 could be used to enhance or support the areas and
13 institutions of cultural or historical significance
14 existing within the municipality. The programs shall
15 include, but need not be limited to, the programs
16 identified in section 6214 (relating to programs to
17 consider).

18 (ii) Whether the municipality may benefit from any
19 programs of nonprofit organizations, foundations, trusts
20 or similar entities for the purposes of this subchapter.

21 (iii) Whether the governing body of the municipality
22 should enact a tax under section 6215 (relating to local
23 taxing options) to support a district established by
24 Subchapter C (relating to neighborhood improvement
25 districts) or, in a city of the first class, section 6202
26 (relating to cities of the first class) and the act of
27 December 21, 1998 (P.L.1307, No.174), known as the
28 Community and Economic Improvement Act.

29 (2) Produce a report that contains its findings and
30 recommendations to the governing body of the municipality

1 within 180 days of the municipality's creation of the
2 committee.

3 (3) Provide additional advice to the governing body as
4 requested by the governing body.

5 § 6214. Programs to consider.

6 A committee shall consider whether the following programs and
7 any others of benefit could be utilized to enhance or support an
8 area or institution of cultural or historical significance
9 within the municipality:

10 (1) The establishment of a cultural improvement district
11 under Subchapter C (relating to neighborhood improvement
12 districts) or, in a city of the first class, section 6202
13 (relating to cities of the first class) and the act of
14 December 21, 1998 (P.L.1307, No.174), known as the Community
15 and Economic Improvement Act.

16 (2) The creation of a tax increment financing district
17 to enhance the area of cultural or historical significance in
18 accordance with the act of July 11, 1990 (P.L.465, No.113),
19 known as the Tax Increment Financing Act.

20 (3) Tax exemptions for the improvement of deteriorated
21 properties under the act of December 1, 1977 (P.L.237,
22 No.76), known as the Local Economic Revitalization Tax
23 Assistance Act.

24 (4) The creation of a historic district to protect
25 historical areas within or adjacent to the area of cultural
26 significance in accordance with the act of June 13, 1961
27 (P.L.282, No.167), entitled "An act authorizing counties,
28 cities, boroughs, incorporated towns and townships to create
29 historic districts within their geographic boundaries;
30 providing for the appointment of Boards of Historical

1 Architectural Review; empowering governing bodies of
2 political subdivisions to protect the distinctive historical
3 character of these districts and to regulate the erection,
4 reconstruction, alteration, restoration, demolition or razing
5 of buildings within the historic districts."

6 (5) Grants, loans and tax credits through:

7 (i) The Keystone Communities Program and other
8 programs for the improvement of neighborhoods
9 administered by the Department of Community and Economic
10 Development.

11 (ii) The Pennsylvania Historical and Museum
12 Commission.

13 § 6215. Local taxing options.

14 (a) Authorization to municipalities.--Where recommended by a
15 committee or by an established neighborhood improvement district
16 management association designated and established by the
17 municipality under Subchapter C (relating to neighborhood
18 improvement districts) or, in a city of the first class, section
19 6202 (relating to cities of the first class) and the act of
20 December 21, 1998 (P.L.1307, No.174), known as the Community and
21 Economic Improvement Act, a municipality may, by ordinance and
22 subject to the provisions of section 6216 (relating to
23 authorization of taxes), impose one of the following:

24 (1) In addition to the statutory rate limits on the
25 general-purpose-levy real estate taxes enumerated in the
26 municipal code applicable to the municipality, a cultural
27 improvement district tax on real property not exceeding the
28 millage authorized by referendum under section 6216.

29 (2) In addition to the earned income tax rate limit
30 enumerated in the act of December 31, 1965 (P.L.1257,

1 No.511), known as The Local Tax Enabling Act, a cultural
2 improvement district tax on the earned income of the
3 residents of the municipality not exceeding the rate
4 authorized by referendum under section 6216.

5 (b) Use of revenue.--Revenue from the levy may be used in
6 one or more of the following manners:

7 (1) The revenue may be appropriated for the
8 establishment or support of a cultural improvement district
9 which has been or would be established and for any purpose
10 provided for under sections 6224 (relating to powers of
11 municipal corporation), 6227 (relating to powers of
12 neighborhood improvement district management association) and
13 6228 (relating to additional powers of neighborhood
14 improvement district management association in a cultural
15 district).

16 (2) The revenue may be deposited into a cultural
17 improvement district maintenance fund, established by the
18 municipality, to develop, improve, design and maintain
19 property within the cultural improvement district. In no case
20 may the municipality deposit more than 25% of the revenue
21 collected from the levy into the cultural improvement
22 district maintenance fund.

23 (c) Restriction.--In no event may revenue collected from the
24 levy in a particular year be used to develop, improve, design
25 and maintain the property within the cultural improvement
26 district unless the annual debt service incurred under section
27 6224 for the benefit of the cultural improvement district will
28 be satisfied.

29 § 6216. Authorization of taxes.

30 (a) Referendum required.--

1 (1) The local taxing option for a cultural improvement
2 district tax authorized by section 6215 (relating to local
3 taxing options) may not be exercised unless the governing
4 body of the municipality provides by ordinance for a
5 referendum on the question of the imposition at a specific
6 rate of the additional tax and a majority of those voting on
7 the referendum question vote in favor of the imposition of
8 the tax. The additional tax may not be repealed any sooner
9 than five years after the imposition of the tax.

10 (2) The ordinance of the governing body of the local
11 government unit providing for a referendum on the question
12 shall be filed with the county board of elections. The
13 referendum shall be governed by the provisions of the act of
14 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
15 Election Code.

16 (3) The election official shall cause the question to be
17 submitted to the electors of the municipality at the next
18 primary, general or municipal election occurring not later
19 than the thirteenth Tuesday following the filing of the
20 ordinance with the county board of elections.

21 (4) At the election, the question shall be submitted to
22 the voters in the same manner as other questions are
23 submitted under the provisions of the Pennsylvania Election
24 Code.

25 (5) The question to be placed upon the ballot shall be
26 framed in the following form:

27 Do you favor the imposition of a (describe tax in millage
28 or earned income tax rate) by (municipality) to be used
29 to support the (specified) cultural improvement district?

30 (b) Repeal by referendum.--

1 (1) The method of repeal of the cultural improvement
2 district tax shall be by referendum, and the procedures for
3 the filing of the ordinance and the conduct of the referendum
4 shall be the same as specified in subsection (a), except the
5 question to be placed upon the ballot shall be framed in the
6 following form:

7 Do you favor the continued imposition of the (describe
8 tax in millage or earned income tax rate) by
9 (municipality) to be used to support the (specified)
10 cultural improvement district?

11 (2) If the referendum question passes, the cultural
12 improvement district tax shall continue to be imposed at the
13 rate described in the question.

14 (3) If the referendum question fails, the increase in
15 the rate limit of the real estate or the earned income tax
16 provided for by subsection (a) shall be repealed, effective
17 in the fiscal year following the referendum.

18 (4) Regardless of whether the referendum question passes
19 or fails, a referendum on the continued imposition of the
20 cultural improvement district tax under this subsection shall
21 not be held any sooner than five years after the approval or
22 disapproval of the referendum question.

23 (c) Real property exemptions.--

24 (1) Any of the following categories of real property may
25 be exempted by a municipality from further millage increases:

26 (i) Real property in which the open space property
27 interests have been acquired by a municipality in
28 accordance with the act of January 19, 1968 (1967
29 P.L.992, No.442), entitled, as amended, "An act
30 authorizing the Commonwealth of Pennsylvania and the

1 local government units thereof to preserve, acquire or
2 hold land for open space uses."

3 (ii) Real property that is subject to an easement
4 acquired in accordance with the act of June 30, 1981
5 (P.L.128, No.43), known as the Agricultural Area Security
6 Law.

7 (iii) Real property from which transferable
8 development rights have been transferred and retired by a
9 municipality without their development potential having
10 occurred on other lands.

11 (2) The exemption from further millage increases for
12 real property as provided for in this section shall be
13 authorized only for real property qualifying for the
14 exemption under the provisions of section 2(b) (i) of Article
15 VIII of the Constitution of Pennsylvania.

16 (3) No exemptions granted under this section may be
17 considered by the State Tax Equalization Board in deriving
18 the market value of school district real property so as to
19 reduce the subsidy to that school district or to increase the
20 subsidy to any other school district.

21 SUBCHAPTER C

22 NEIGHBORHOOD IMPROVEMENT DISTRICTS

23 Sec.

24 6221. Scope of subchapter.

25 6222. Legislative findings.

26 6223. Definitions.

27 6224. Powers of municipal corporation.

28 6225. Neighborhood improvement districts.

29 6226. Neighborhood improvement district management
30 associations.

1 6227. Powers of neighborhood improvement district management
2 association.

3 6228. Additional powers of neighborhood improvement district
4 management association in a cultural district.

5 6229. Dissolution of neighborhood improvement district
6 management association and neighborhood improvement
7 district.

8 6230. Annual audit; report.

9 6231. Applicability.

10 § 6221. Scope of subchapter.

11 This subchapter relates to neighborhood improvement districts
12 in municipalities. Neighborhood improvement districts in cities
13 of the first class shall be governed by the act of December 21,
14 1998 (P.L.1307, No.174), known as the Community and Economic
15 Improvement Act.

16 § 6222. Legislative findings.

17 The General Assembly finds that:

18 (1) Existing tax rates in many municipalities are at or
19 near their statutory cap.

20 (2) The General Fund revenue derived from these taxes
21 many times is not sufficient to provide adequate municipal
22 services or additional services needed in specific geographic
23 areas within the municipality, including, but not limited to,
24 downtown commercial districts.

25 (3) As a result, municipalities should be encouraged to
26 establish, where feasible and desired, assessment-based
27 neighborhood improvement districts which would include, but
28 not be limited to, downtown commercial districts. Designated
29 district management associations would initiate and
30 administer programs to promote and enhance more attractive

1 and safer commercial, industrial, residential and mixed-use
2 neighborhoods; economic growth; increased employment
3 opportunities; and improved commercial, industrial, business
4 districts and business climates.

5 (4) Municipalities should be given the broadest possible
6 discretion in establishing by local ordinance the type of
7 assessment-based programs most consistent with neighborhood
8 needs, goals and objectives as determined and expressed by
9 property owners in the designated district.

10 § 6223. Definitions.

11 The following words and phrases when used in this subchapter
12 shall have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Authority." A body politic and corporate, established under
15 the former act of May 2, 1945 (P.L.382, No.164), known as the
16 Municipality Authorities Act of 1945, or Chapter 56 (relating to
17 municipal authorities).

18 "Benefited property." Those properties located within a
19 neighborhood improvement district which profit from district
20 improvements based on a rational nexus test. Properties need not
21 profit equally to be considered to have benefited.

22 "Bonds." The term shall include the notes, bonds and other
23 evidence of indebtedness or obligations which each municipal
24 corporation is authorized to issue under section 6224(7)
25 (relating to powers of municipal corporation).

26 "Business improvement." In the case of neighborhood
27 improvement district management associations established for the
28 purpose of making improvements or providing administrative
29 services within a neighborhood improvement district, the term
30 shall mean those improvements needed in specific areas or to

1 individual properties, including, but not limited to, sidewalks,
2 retaining walls, street paving, parks, recreational equipment
3 and facilities, open space, street lighting, parking lots,
4 parking garages, trees and shrubbery, pedestrian walks, sewers,
5 water lines, rest areas and the acquisition and rehabilitation
6 or demolition of blighted buildings or structures.

7 "Business improvement district" or "BID." A business
8 improvement district established prior to February 19, 2001, and
9 governed by the former act of May 2, 1945 (P.L.382, No.164),
10 known as the Municipality Authorities Act of 1945, insofar as it
11 relates to business improvement districts or Chapter 54
12 (relating to business improvement districts). On or after
13 February 19, 2001, the term shall mean a limited geographical
14 area comprised of real property which is used for any for-profit
15 activity involving trade and traffic, or commerce in general.

16 "Commercial." Relating to or associated with any for-profit
17 activity involving trade and traffic or commerce in general.

18 "Construction expenditures." Property and right-of-way
19 acquisition costs where applicable.

20 "Costs of improvements." The term includes architectural
21 fees, engineering fees, attorney fees, consulting fees,
22 professional fees, preliminary planning expenditures,
23 feasibility study expenditures, financing costs and any other
24 expenditures necessary and incidental to the development,
25 construction or completion of the improvement.

26 "Cultural improvement district." A limited geographical area
27 composed of institutions of cultural or historical significance
28 and the surrounding businesses and neighborhoods that directly
29 benefit from such institutions.

30 "District advisory council." A committee comprised of

1 property owners from a neighborhood improvement district
2 established under section 6227(a) (relating to powers of
3 neighborhood improvement district management association) for
4 the purpose of providing guidance and direction to the
5 neighborhood improvement district management association
6 concerning association activities within the district.

7 "Industrial district." A limited geographical area comprised
8 of real property which is used predominantly for manufacturing,
9 commercial or any other activity related to the distribution of
10 goods and services and intermediate and final products,
11 including, but not limited to, warehousing, shipping,
12 transportation, remanufacturing, stockpiling of raw materials,
13 repair and maintenance of machinery and equipment, storage,
14 administration or business activities and research and
15 development.

16 "Institution." The term includes, but is not limited to, a
17 college, university, school, hospital, museum, theater, church,
18 synagogue, art center or similar facility.

19 "Institutional district." A limited geographical area
20 comprised predominantly of real property on which educational,
21 health-related or cultural activities occur within buildings and
22 structures, including, but not limited to, colleges,
23 universities, schools, hospitals, museums, theaters, churches,
24 synagogues and art centers.

25 "Mixed-use district." A limited geographical area comprised
26 of real property used for any or all purposes contained within a
27 business, residential, industrial or institutional district.

28 "Municipal corporation." The body or board authorized by law
29 to enact ordinances or adopt resolutions for a municipality.

30 "Municipality." With the exception of a city of the first

1 class, a city, borough, incorporated town, township, home rule,
2 optional plan or optional charter municipality located within
3 this Commonwealth.

4 "Neighborhood." A limited geographic area within a
5 municipality establishing a neighborhood improvement district,
6 the limits of which form the neighborhood improvement district
7 boundary.

8 "Neighborhood improvement." Improvements needed in specific
9 geographic areas or to individual properties within those areas,
10 including, but not limited to, sidewalks, retaining walls,
11 street paving, parks, recreational equipment and facilities,
12 open space, street lighting, parking lots, trees and shrubbery,
13 sewers, water lines, rest areas and the acquisition and
14 rehabilitation or demolition of deteriorated buildings or
15 structures.

16 "Neighborhood improvement district" or "NID." A limited
17 geographic area within a municipality, in which a special
18 assessment is levied on all designated property, other than tax-
19 exempt property, for the purpose of promoting the economic and
20 general welfare of the district and the municipality, the term
21 includes all of the following:

22 (1) Business improvement district (BID).
23 (2) Cultural improvement district (CID).
24 (3) Industrial improvement district (IID).
25 (4) Institutional improvement district (INID).
26 (5) Mixed-use improvement district (MID), depending on
27 the type of district established.

28 (6) Residential improvement district (RID).
29 A designated property may not be included in more than one
30 neighborhood improvement district.

1 "Neighborhood improvement district management association" or
2 "NIDMA." The governing body that oversees the management of
3 neighborhood improvement districts in a municipality as
4 established under section 6225 (relating to neighborhood
5 improvement districts), and is incorporated as a nonprofit
6 corporation in this Commonwealth or an authority as established
7 under the former act of May 2, 1945 (P.L.382, No.164), known as
8 the Municipality Authorities Act of 1945, or Chapter 56
9 (relating to municipal authorities).

10 "Neighborhood improvement district plan" or "NIDP." The
11 strategic plan for neighborhood improvements required by section
12 6225 (relating to neighborhood improvement districts), and all
13 projects, programs and supplemental services to be provided
14 within the district to implement the plan by the neighborhood
15 improvement district management association.

16 "Neighborhood improvement district services." In the case
17 of:

18 (1) A neighborhood improvement district management
19 association established for the purpose of making
20 improvements or providing expanded services within an
21 established neighborhood business improvement district, the
22 term shall include, but not be limited to, those services
23 which improve the ability of the commercial establishments
24 within the neighborhood business improvement district to
25 serve the consumer, such as free or reduced-fee parking for
26 customers, transportation-related expenses, public relations
27 programs, group advertising and district maintenance and
28 security services.

29 (2) A residential, industrial, institutional or mixed-
30 use neighborhood improvement district, the term shall

1 include, but not be limited to, those services which improve
2 the ability of property owners to enjoy a safer and more
3 attractive neighborhood through the provision of increased or
4 expanded services, including street lighting, street
5 cleaning, street maintenance, parks, recreational equipment
6 and facilities, open space or security services.

7 "Nonprofit corporation." A legal entity that is incorporated
8 within this Commonwealth and specifies in its charter or bylaws
9 that no part of the net earnings may benefit any private
10 shareholder or individual holding interest in the legal entity.

11 "Private security officer." Any person or firm employed by a
12 neighborhood improvement district management association for the
13 purpose of providing increased security or protective patrol
14 services within the neighborhood improvement district. The term
15 may include an off-duty police officer, provided that the use of
16 the officer for this purpose is approved by the governing body
17 of the municipality in which the neighborhood improvement
18 district is located or the municipality where the officer is
19 employed, if different.

20 "Project." The acquisition, development, construction,
21 improvement, rehabilitation, operation or maintenance of a
22 building, facility, equipment or structure, by purchase, lease
23 or contract, by a neighborhood improvement district management
24 association to facilitate neighborhood and business improvements
25 as authorized by this subchapter.

26 "Rational nexus." The legal principle which requires that
27 there is a rational, definable benefit which accrues to a
28 property owner assessed a fee for the benefit in a neighborhood
29 improvement district established under this subchapter. All
30 property owners within a designated neighborhood improvement

1 district paying a special assessment fee must benefit directly
2 or indirectly from facilities or services provided by a
3 neighborhood improvement district management association within
4 the neighborhood improvement district, provided, however, that
5 property owners need not benefit equally.

6 "Residential district." A limited geographical area
7 comprised of real property consisting predominantly of buildings
8 and structures for housing individuals and families, including,
9 but not limited to, single-family detached homes, single-family
10 semidetached homes, townhouses, condominiums, apartments,
11 manufactured homes, modular homes or any combination of the
12 same.

13 "Service area." The area within the boundaries of a
14 neighborhood improvement district established by a municipality
15 under this subchapter in which the neighborhood improvement
16 district management association provides programs, services and
17 improvements. The term may also include an area outside of the
18 neighborhood improvement district where services are being
19 provided by the neighborhood improvement district management
20 association under contract.

21 "Special assessment fee." The fee assessed on property
22 owners within a neighborhood improvement district levied by the
23 municipality establishing a neighborhood improvement district
24 under section 6224(10) (relating to powers of municipal
25 corporation) for the purposes of providing programs,
26 improvements and services under section 6227 (relating to powers
27 of neighborhood improvement district management association).

28 "Sunset provision." The term means a provision in the
29 neighborhood improvement district plan under section 6225(c)
30 (relating to neighborhood improvement districts), establishing a

1 neighborhood improvement district, which provides for the
2 automatic termination of the neighborhood improvement district
3 on a date specified in the neighborhood improvement district
4 plan and in the municipal ordinance establishing the
5 neighborhood improvement district. The neighborhood improvement
6 district may be continued beyond that date, provided that the
7 municipal enabling ordinance establishing the original
8 neighborhood improvement district is reenacted, following a
9 review of the neighborhood improvement district and the
10 neighborhood improvement district management association
11 programs and services provided within the neighborhood
12 improvement district by the municipality.

13 § 6224. Powers of municipal corporation.

14 A municipal corporation shall have the power:

15 (1) To establish within the municipality an area or
16 areas designated as an NID.

17 (2) To establish an authority to administer the NID or
18 to designate an existing community development corporation or
19 other existing nonprofit corporation to administer same or to
20 establish a community development corporation or other
21 nonprofit corporation to administer same under sections 6226
22 (relating to neighborhood improvement district management
23 associations) and 6227 (relating to powers of neighborhood
24 improvement district management association).

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

28 (i) Acquire by purchase or lease real or personal
29 property deemed necessary to effectuate the purposes of
30 the NID.

1 (ii) Prepare or have prepared preliminary planning
2 or feasibility studies to determine needed improvements
3 in an NID, including, but not limited to, capital
4 improvements, traditional streetscape and building
5 renovations, retaining walls, street paving, street
6 lighting, parking lots, parking garages, trees and
7 shrubbery, pedestrian walks, sewers, water lines, rest
8 areas, acquisition, rehabilitation or demolition of
9 blighted buildings and structures, graffiti removal,
10 security, marketing, promotions, advertising, business
11 retention and recruitment activities, master leasing and
12 property management, joint advertising, research and
13 planning as well as the provision of additional services
14 to supplement, not replace, existing municipal services
15 provided within the NID.

16 (4) To advance funds to an NIDMA as may be required to
17 carry out the purposes of this subchapter.

18 (5) To collect special property assessments on behalf of
19 the NIDMA levied on designated property owners within the NID
20 and to employ any legal methods to ensure collection of the
21 assessments.

22 (6) To acquire by gift, purchase or eminent domain,
23 land, real property or rights-of-way which may be needed for
24 the purposes of making physical improvements within the NID.

25 (7) To issue bonds, notes or guarantees, in accordance
26 with the provisions of general laws in the amounts and for
27 the periods necessary, to finance needed improvements within
28 any NID.

29 (8) To review all proposed expenditures of funds within
30 NIDs by NIDMAs and suggest changes to same where a nonprofit

1 corporation is the NIDMA.

2 (9) To include a sunset provision of no less than five
3 years in the municipal enabling ordinance creating the NID
4 and in the contract with the NIDMA.

5 (10) To levy an assessment fee on property owners
6 located within an NID needed to finance additional
7 supplemental programs, services and improvements to be
8 provided or made by the NIDMA.

9 § 6225. Neighborhood improvement districts.

10 (a) Establishment.--

11 (1) The governing body of a municipality or municipal
12 business or residents, or combination thereof, may initiate
13 action to establish an NID or NIDs within the municipality
14 under this subchapter.

15 (2) In the case of businesses or residents, or both,
16 desiring to establish an NID where the municipality has not
17 taken action to do so, the governing body of the municipality
18 may be petitioned to establish an NID under the procedures
19 provided for by this subchapter.

20 (3) In no case where the governing body of a
21 municipality is petitioned to establish an NID under
22 paragraph (2) shall the municipality be required to establish
23 an NID.

24 (b) Specific procedures.--

25 (1) A copy of everything required under this section as
26 well as the date, location and time of any public hearing
27 required under this subchapter shall be provided by the
28 municipal corporation to all property owners and lessees of
29 property owners located in the proposed NID at least 30 days
30 prior to the first public hearing required by this section.

1 (2) At least one public hearing, no earlier than 15 days
2 apart, for the purpose of receiving public comment from
3 affected property owners within the proposed NID, on the
4 proposed NIDP, shall be held by the municipality before the
5 establishment of an NID. Notice of the hearing shall be
6 advertised at least 10 days prior thereto in a newspaper of
7 general circulation in the municipality.

8 (3) Any objections by property owners within the
9 proposed NID must be made in writing by persons representing
10 the ownership of 40%, in numbers, of the benefited properties
11 within the NID. Objections must be signed by the property
12 owner and filed in the office of the clerk for the governing
13 body of the municipality in which the NID is proposed.

14 (c) Contents of preliminary plan.--The plan shall include
15 the following:

16 (1) A map indicating the boundaries, by street, of the
17 proposed NID; however, a designated property may not be
18 included in more than one NID.

19 (2) A written report from the municipality containing:

20 (i) The name of the proposed district.

21 (ii) A detailed description of the service areas of
22 the proposed district.

23 (iii) A list of all properties to be assessed.

24 (iv) A list of proposed improvements within the NID
25 and their estimated cost.

26 (v) A proposed budget for the first fiscal year,
27 including, but not limited to, the following:

28 (A) personnel and administration;

29 (B) programs and services;

30 (C) maintenance and operation; and

1 (D) capital expenditures.

2 (vi) The proposed revenue sources for financing all
3 proposed improvements, programs and services.

4 (vii) The estimated time for implementation and
5 completion of all proposed improvements, programs and
6 services.

7 (viii) A statement identifying the administrative
8 body which will govern and administer the NID.

9 (ix) Any other information, including the statutory
10 authority or, in the case of a nonprofit corporation, the
11 bylaws, that describes the powers and duties of and the
12 method for making decisions by the NIDMA.

13 (x) The method of determining the amount of the
14 assessment fee to be levied on property owners within the
15 NID under section 6227 (relating to powers of
16 neighborhood improvement district management
17 association).

18 (3) The plan shall also:

19 (i) Identify in detail the specific duties and
20 responsibilities of both the NIDMA and the municipal
21 corporation with respect to the NID.

22 (ii) Require that a written agreement be signed by
23 the municipal corporation and the NIDMA describing in
24 detail their respective duties and responsibilities.

25 (iii) Allow for and encourage tax-exempt property
26 owners located within the NID to provide in-kind services
27 or a financial contribution to the NIDMA, if not
28 assessed, in lieu of a property assessment fee.

29 (iv) Require in the agreement between the municipal
30 corporation and the NIDMA that the municipality must

1 maintain the same level of municipal programs and
2 services provided within the NID before NID designation
3 as after NID designation.

4 (v) Allow the municipal corporation the right to
5 include in the agreement with the NIDMA and in the
6 enabling ordinance establishing the NID, a sunset
7 provision of no less than five years for renewal of the
8 agreement.

9 (vi) Require in the agreement with the NIDMA that
10 the municipality establishing an NID collect all property
11 assessment fees levied within the NID if so desired by
12 the NIDMA.

13 (vii) Provide that a negative vote of at least 40%
14 of the property owners within the NID proposed in the
15 final plan shall be required to defeat the establishment
16 of the proposed NID by filing objections with the clerk
17 for the governing body of the municipality within 45 days
18 of presentation of the final plan where the governing
19 body of the municipality is inclined to establish the
20 NID.

21 (d) Final plan.--

22 (1) Prior to the establishment of an NID, the
23 municipality shall submit a revised final plan to property
24 owners located within the proposed NID which incorporates
25 changes made to the plan based on comments from affected
26 property owners within the NID provided at the public
27 hearings or at some other time.

28 (2) Changes to the final plan which differ from the
29 preliminary plan shall be indicated in an easily discernible
30 method for the reader, including, but not limited to, changes

1 being in boldface or italic type.

2 (e) Public hearing.--

3 (1) At least one public hearing for the purpose of
4 receiving public comment on any revisions to the preliminary
5 plan made following suggestions by affected property owners
6 within the proposed NID and reflected in the final NIDP shall
7 be held by the municipal corporation before enacting an
8 ordinance establishing an NID.

9 (2) Notice of the hearing shall be advertised at least
10 10 days prior thereto in a newspaper of general circulation
11 in the municipality.

12 (f) Veto of final plan for NID.--

13 (1) Following the last public hearing required under
14 subsection (e) or under subsection (g) if there is an
15 amendment to the final plan, affected property owners located
16 within a proposed NID shall have 45 days from the date of the
17 hearing to object to and disapprove the final plan or any
18 amendment to the final plan under the requirements of
19 subsection (b) (3).

20 (2) If 40% or more of the affected property owners
21 within the proposed NID fail to register their disapproval of
22 the final plan or amendment to the final plan in writing with
23 the clerk of the governing body of the municipality in which
24 the NID is proposed, the governing body of the municipality
25 may, following the 45-day period, enact a municipal ordinance
26 establishing an NID under this subchapter or, in the case of
27 an amendment to the final plan, adopt any amendments to the
28 ordinance.

29 (g) Amendments to final plan.--

30 (1) The final plan may be amended by the NIDMA any time

1 after the establishment of an NID under the provisions of
2 this subchapter and upon the recommendation of the NIDMA
3 board, provided there is concurrence with 60% of the property
4 owners within the NID.

5 (2) Amendments to the final plan which also require the
6 approval of the governing body of the municipality
7 establishing the NID include:

8 (i) Substantially changed or added programs,
9 improvements or services to be provided in the NID.

10 (ii) Increased expenditures affecting more than 25%
11 of the total NIDMA budget for the fiscal year.

12 (iii) Incurring increased indebtedness.

13 (iv) Changing the assessment fee structure levied on
14 property owners in the NID.

15 (v) Changing the legal entity of the NIDMA which
16 provides programs, improvements and services within the
17 NID.

18 (vi) Changing the NID service area boundary.

19 Prior to the governing body of the municipality approving any
20 change enumerated in this paragraph, the governing body shall
21 hold at least one public hearing to determine that the change
22 is in the public interest as it relates to affected property
23 owners within the NID.

24 (3) The municipality shall provide public notice of the
25 hearing for the amendment by publication of a notice in at
26 least one newspaper having a general circulation in the NID
27 specifying the time and place of such hearing and the
28 amendment to be considered. The notice shall be published
29 once at least 10 days prior to the date of the hearing.

30 (4) The governing body of the municipality may, within

1 30 days following the public hearing and at its sole
2 discretion, approve or disapprove of the amendment to the
3 plan. If approved, the amendment shall be effective upon the
4 date of such approval.

5 (5) Prior to the adoption of an amendment to the NID
6 boundary which increases the size of the NID, any owner of
7 property to be added to the NID shall be notified of the
8 date, time and location of the public hearing on the proposed
9 amendment to the final plan and provided all information
10 required by subsection (c).

11 § 6226. Neighborhood improvement district management
12 associations.

13 (a) Designation.--When a municipality establishes an NID
14 under this subchapter, an NIDMA shall be designated by the
15 governing body of the municipality in which the NID is to be
16 located to administer programs, improvements and services within
17 the NID.

18 (b) Administration.--

19 (1) NIDs established under this subchapter shall be
20 administered by an NIDMA which shall be an authority
21 established under the former act of May 2, 1945 (P.L.382,
22 No.164), known as the Municipality Authorities Act of 1945,
23 or Chapter 56 (relating to municipal authorities), an
24 existing nonprofit development corporation, an existing
25 nonprofit corporation or a nonprofit development corporation
26 or nonprofit corporation established by the governing body or
27 authorized to be established by the governing body of the
28 municipality in which the NID is to be located, to administer
29 the NIDP.

30 (2) If an active nonprofit development corporation

1 already exists within the geographic boundaries of the NID
2 and formally indicates its interest to the governing body of
3 the municipality to become the designated NIDMA, the
4 governing body of the municipality shall grant that request
5 unless 40% or more of the affected property owners within the
6 proposed NID register their disapproval of this designation
7 in writing with the clerk of the governing body within a 45-
8 day period following the formal written request for
9 designation by the nonprofit development corporation to
10 become the NIDMA.

11 (c) Powers.--An NIDMA established under this subchapter
12 shall assume all powers provided for in section 6227 (relating
13 to powers of neighborhood improvement district management
14 association) immediately upon the effective date of the
15 municipal ordinance enacted under section 6224 (relating to
16 powers of municipal corporation) establishing the NID.

17 (d) Board.--An NIDMA shall have an administrative board as
18 follows:

19 (1) Where an authority established under the former
20 Municipality Authorities Act of 1945 or Chapter 56 serves as
21 the NIDMA, the board shall be appointed under the former
22 Municipality Authorities Act of 1945 or Chapter 56, as
23 applicable.

24 (2) Where an existing nonprofit development corporation
25 or other nonprofit corporation is to serve as the NIDMA, the
26 board shall be appointed according to the bylaws of the NIDMA
27 filed with the Department of State.

28 (3) Where a nonprofit development corporation or other
29 nonprofit corporation is established to serve as the NIDMA
30 for an NID, the board shall be comprised of five, seven or

1 nine members with at least one member representing the
2 municipal corporation in which the NID is located.

3 (4) In all cases, an NIDMA board shall include a
4 representative of property owners located in the NID,
5 business owners located in the NID and any institution
6 located in the NID. Institutional members may appoint a
7 designee to represent them. All board members need not be
8 residents of the NID.

9 § 6227. Powers of neighborhood improvement district management
10 association.

11 (a) General powers.--An NIDMA shall have, in addition to any
12 other powers provided under Chapter 56 (relating to municipal
13 authorities), where the NIDMA is an authority, or in addition to
14 any other powers provided under the charter establishing a
15 nonprofit development corporation or other nonprofit
16 corporation, where the NIDMA is a nonprofit development
17 corporation or other nonprofit corporation, the power to:

18 (1) Sue or be sued, implead or be impleaded, complain
19 and defend in all courts.

20 (2) Employ an executive director or administrator and
21 any necessary supporting staff or contract for the provision
22 of same.

23 (3) Prepare planning or feasibility studies or contract
24 for the preparation of same to determine needed capital
25 improvements or administrative programs and services within
26 the NID.

27 (4) Make capital improvements or provide administrative
28 programs and services within an NID.

29 (5) Purchase, own, construct, renovate, develop,
30 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
10 provisions contained in the municipal enabling ordinance
11 establishing the NID and may be used:

12 (i) To acquire by purchase or lease real or personal
13 property to effectuate the purposes of this subchapter,
14 including making common improvements within the NID,
15 including, but not limited to, sidewalks, retaining
16 walls, street paving, parks, recreational equipment and
17 facilities, open space, street lighting, parking lots,
18 parking garages, trees and shrubbery, pedestrian walks,
19 sewers, water lines, rest areas and the acquisition,
20 rehabilitation or demolition of blighted buildings or
21 comparable structures.

22 (ii) To provide free or reduced-fee parking for
23 customers of businesses within the NID, transportation-
24 related expenditures, public relations programs, group
25 advertising and NID maintenance and security services.

26 (iii) To impose special assessment fees.

27 (9) Solicit in-kind services or financial contributions
28 from tax-exempt property owners within the NID in lieu of
29 property assessment fees. This may include entering into
30 voluntary multiyear agreements between the NIDMA and tax-

1 exempt property owners located within an NID for the
2 provision of same.

3 (10) Impose liens on property for the nonpayment of
4 property assessments. An NID administered by a nonprofit
5 corporation would have any such liens filed by the municipal
6 corporation.

7 (11) Hire additional off-duty police officers or private
8 security officers whose patrol area responsibilities are
9 limited to the geographical area incorporated within the
10 designated NID service area and whose responsibility is to
11 support existing municipal and volunteer efforts aimed at
12 reducing crime and improving security in the NID.

13 (12) Designate a district advisory committee for each
14 NID established within the municipality. The committee shall
15 consist of five, seven or nine members who must represent the
16 neighborhood's character, including, but not limited to, age,
17 sex and cultural diversity.

18 (b) Assessments.--

19 (1) The NIDMA shall, upon approval by the governing body
20 of the municipality, have the power to assess property owners
21 within the NID a special property assessment fee. Revenues
22 from the fee shall be accounted for and used by the NIDMA to
23 make improvements and provide programs and services within
24 the NID as authorized by this subchapter. Where the district
25 established is a BID, the NIDMA may exempt residential
26 property owners from any special assessment fees levied.

27 (2) All assessments authorized under this section shall
28 be calculated using January 1 as the first day of the fiscal
29 year.

30 (3) All special property assessment fees shall be based

1 upon the estimated cost of the programs, improvements or
2 services to be provided in the NID as stated in the final
3 plan under section 6225(d) (relating to neighborhood
4 improvement districts). In no case shall the aggregate amount
5 of all fees levied by the NIDMA during the year exceed the
6 estimated cost of proposed programs, improvements and
7 services for the year.

8 (4) In the case of an NID which contains a combination
9 of business, residential, industrial or institutional areas
10 and uses, a weighted assessment may be instituted. In such
11 case, the fee levied on property owners generally may be
12 weighted higher for business, industrial or institutional
13 properties than that levied on residential property owners,
14 provided that the basis for the calculation of the fee meets
15 the rational nexus test.

16 (5) The total costs of improvements, programs and
17 administrative services provided by the NIDMA shall be
18 assessed to all designated properties within the NID by one
19 of the following methods:

20 (i) An assessment determined by multiplying the
21 total service and improvement costs by the ratio of the
22 assessed value of the benefited property to the total
23 assessed valuation of all designated benefited properties
24 in the NID.

25 (ii) An assessment upon the several properties in
26 the NID in proportion to benefits as ascertained by
27 viewers appointed in accordance with law.

28 (iii) Any method that equitably apportions costs
29 among benefiting properties.

30 (iv) In the case of improvements benefiting

1 properties abutting the NID by the front-foot method,
2 with equitable adjustments for corner properties and
3 other cases provided for in the municipal ordinance. Any
4 property which cannot be equitably assessed by the front-
5 foot method may be assessed by any of the methods
6 enumerated in subparagraphs (i), (ii) and (iii).

7 (c) Payment.--

8 (1) The governing body may, by ordinance, authorize the
9 payment of the assessment in equal annual or more frequent
10 installments over such time and bearing interest at the rate
11 specified in the municipal ordinance.

12 (2) If bonds have been issued and sold or notes or
13 guarantees have been given or issued to provide for the cost
14 of the services and improvements, the assessment in equal
15 installments shall not be payable beyond the term for which
16 the bonds, notes or guarantees are payable.

17 (d) Liens.--

18 (1) Notwithstanding the filing of the claims, all
19 assessments which are made payable in installments shall
20 constitute liens and encumbrances upon the respective
21 benefited properties at the beginning of each calendar year,
22 except as provided in subsection (c), and only in an amount
23 equal to the sum of:

24 (i) the annual or other installments becoming
25 payable in such year, with interest and penalties, if
26 any; and

27 (ii) the total of all installments, with interest
28 and penalties, which became due during prior years and
29 which remain due and unpaid at the beginning of the
30 current year.

1 (2) In the case of default in the payment of any
2 installment and interest for a period of 90 days after the
3 payment becomes due, the assessment ordinance may either
4 provide for the entire assessment, with accrued interest and
5 penalties, to become due and become a lien from the due date
6 of the installment or provide solely for the enforcement of
7 the claim as to the overdue installment, with interest and
8 penalties, in which case the ordinance shall further provide
9 that if any installment or portion thereof remains due and
10 unpaid for one year after it has become due and payable, the
11 entire assessment with accrued interest and penalties shall
12 become due and become a lien from the due date of the
13 installment.

14 (3) No action taken to enforce a claim for any
15 installment or installments shall affect the status of any
16 subsequent installment of the same assessment, each of which
17 shall continue to become a lien upon the property annually
18 under paragraph (1).

19 (4) The ordinance may contain any other provision
20 relating to installment assessments which is not inconsistent
21 with applicable law.

22 (5) An owner of property against whom an assessment has
23 been made may pay the assessment in full at any time, with
24 accrued interest and costs. The payment shall discharge the
25 lien of the assessment or installments then constituting a
26 lien and release the claim to any later installments.

27 (6) Claims to secure the assessments shall be entered in
28 the prothonotary's office of the county at the same time and
29 in the same form and collected in the same manner as
30 municipal tax claims are filed and collected, notwithstanding

1 the provisions of this section as to installment payments.
2 § 6228. Additional powers of neighborhood improvement district
3 management association in a cultural district.

4 (a) General rule.--In addition to the powers listed in
5 section 6227 (relating to powers of neighborhood improvement
6 district management association), an NIDMA that is established
7 to oversee a cultural improvement district shall have the powers
8 enumerated in this section.

9 (b) Grant program.--

10 (1) The NIDMA board may annually distribute funds
11 through a cultural district grant program. The cultural
12 district grant program shall distribute funds throughout the
13 cultural district to fund projects that improve the cultural
14 nature of the district.

15 (2) Applicants must submit the grant application to the
16 board between January 1 and March 1 and use the standard form
17 provided by the NIDMA board.

18 (3) Between March 1 and April 1, the NIDMA board shall
19 review the submitted applications.

20 (4) Applicants whose applications are missing any
21 information shall be notified through the mail and given 15
22 days to supply the missing information.

23 (5) Between April 1 and June 1, the NIDMA board shall
24 convene two public hearings to receive public comment in
25 regards to the applications being considered. The hearings
26 shall be advertised in accordance with the provisions of 65
27 Pa.C.S. Ch. 7 (relating to open meetings).

28 (6) (i) Between June 1 and June 30, the board shall
29 meet to discuss the comments provided by the public and
30 vote on the applications.

1 (ii) Any grant must be approved or rejected by the
2 majority of the entire NIDMA board membership.

3 (iii) The NIDMA board shall not be required to
4 approve grants every year.

5 (7) (i) On or after August 1 but not later than
6 September 1, the NIDMA board shall hold a public meeting
7 to announce which grants have received approval. The
8 board shall notify each applicant of the board decision.

9 (ii) If an application is rejected, the board shall
10 provide comments describing why the application was
11 rejected.

12 (iii) Rejection of an application does not prevent
13 an applicant from reapplying at a later date.

14 (c) Demonstration of benefit required.--Funds distributed
15 through the application process provided for under this section
16 must provide a benefit to the entire cultural district.

17 (d) Restriction.--No funds distributed under this section
18 may be used for the payment of salaries or the replacement of
19 equipment.

20 § 6229. Dissolution of neighborhood improvement district
21 management association and neighborhood improvement
22 district.

23 (a) Conveying projects.--When an NIDMA has finally paid and
24 discharged all bonds which, together with the interest due, are
25 secured by a pledge of any of the revenues or receipts of a
26 project, it may, subject to any agreements concerning the
27 operation or disposition of the project and the NIDMA bylaws,
28 convey the project or projects to the municipal corporation
29 which established the NIDMA.

30 (b) Request for termination by assessed property owners.--

1 (1) Any request for the termination of the NID and NIDMA
2 approved by 40% of the assessed property owners, in numbers,
3 located in the NID must be submitted to the governing body of
4 the municipality in writing.

5 (2) The governing body shall hold a hearing on the
6 merits of the request, under section 6225(b)(2) (relating to
7 neighborhood improvement districts) as it relates to the
8 required procedure for holding a hearing.

9 (3) The request shall be considered by the governing
10 body of the municipality.

11 (4) If the request is approved by the governing body of
12 the municipality, a resolution to that effect shall be filed
13 with the Secretary of the Commonwealth.

14 (5) The Secretary of the Commonwealth shall note the
15 termination of the existence on the record of incorporation
16 and return the resolution with the secretary's approval shown
17 on the resolution to the municipal corporation.

18 (6) Upon the secretary's receipt of the notice, the
19 property of the NIDMA shall pass to the municipal corporation
20 and the NIDMA and NID shall cease to exist.

21 (c) Request for termination by governing body.--

22 (1) A request for the termination of the NID and NIDMA
23 by the governing body of the municipality in which the NID is
24 located shall result in a hearing on the merits of the
25 request, under section 6225(b)(2) as it relates to the
26 required procedure for holding a hearing.

27 (2) Before the decision to terminate an NID and NIDMA is
28 made, the termination must be approved by 40% of the assessed
29 property owners, in numbers, located in the NID and shall be
30 submitted to the governing body of the municipality in

1 writing.

2 (3) The written request shall be considered by the
3 governing body of the municipality. If the request is
4 approved by the governing body of the municipality, then a
5 resolution to that effect shall be filed with the Secretary
6 of the Commonwealth.

7 (4) The Secretary of the Commonwealth shall note the
8 termination of the existence on the record of incorporation
9 and return the resolution with the secretary's approval shown
10 to the municipal corporation.

11 (5) Upon the secretary's receipt of the notice, the
12 property of the NIDMA shall pass to the municipal corporation
13 and the NIDMA and NID shall cease to exist.

14 § 6230. Annual audit; report.

15 The NIDMA shall annually:

16 (1) Submit an audit of all income and expenditures to
17 the Department of Community and Economic Development and the
18 governing body of the municipality in which the NID is
19 located within 120 days after the end of each fiscal year.

20 (2) Submit a report, including financial and
21 programmatic information and a summary of audit findings, to
22 the governing body of the municipality in which the NID is
23 located and to all assessed property owners located in the
24 NID.

25 § 6231. Applicability.

26 (a) Existing districts.--Except as provided for in
27 subsection (d), any existing business improvement district or
28 downtown improvement district established prior to February 19,
29 2001, shall remain in existence and shall be governed by Chapter
30 56 (relating to municipal authorities) insofar as it relates to

1 business improvement districts or Chapter 54 (relating to
2 business improvement districts).

3 (b) Districts established subsequently.--Any NID established
4 on or after February 19, 2001, shall be governed by the
5 provisions of this subchapter.

6 (c) Previously terminated districts.--Any business
7 improvement district or downtown improvement district in
8 existence prior to February 19, 2001, which is terminated shall,
9 upon its reestablishment, be governed by the provisions of this
10 subchapter. This shall include any termination resulting from a
11 sunset provision in any municipal agreement or ordinance.

12 (d) Additional requirements.--Any business improvement
13 district or downtown improvement district in existence on or
14 after February 19, 2001, shall:

15 (1) Be required to carry out any duty or responsibility
16 imposed on NIDs under this subchapter.

17 (2) Possess any additional power given to NIDs under
18 this subchapter without having to restructure or reorganize
19 under this subchapter.

20 Section 2. Repeals are as follows:

21 (1) The General Assembly declares that the repeal under
22 paragraph (2) is necessary to effectuate the addition of 53
23 Pa.C.S. Ch. 62 Subch. C.

24 (2) The act of December 20, 2000 (P.L.949, No.130),
25 known as the Neighborhood Improvement District Act, is
26 repealed.

27 Section 3. The addition of 53 Pa.C.S. Ch. 62 Subch. C is a
28 continuation of the former act of December 20, 2000 (P.L.949,
29 No.130), known as the Neighborhood Improvement District Act. The
30 following apply:

1 (1) Except as otherwise provided in 53 Pa.C.S. Ch. 62
2 Subch. C, all activities initiated under the the Neighborhood
3 Improvement District Act shall continue and remain in full
4 force and effect and may be completed under 53 Pa.C.S. Ch. 62
5 Subch. C. Orders, regulations, rules and decisions which were
6 made under the Neighborhood Improvement District Act and
7 which are in effect on the effective date of this section
8 shall remain in full force and effect until revoked, vacated
9 or modified under 53 Pa.C.S. Ch. 62 Subch. C. Contracts,
10 obligations and collective bargaining agreements entered into
11 under the Neighborhood Improvement District Act are not
12 affected nor impaired by the repeal of the Neighborhood
13 Improvement District Act.

14 (2) Except as set forth in paragraph (3), any difference
15 in language between 53 Pa.C.S. Ch. 62 Subch. C and the
16 Neighborhood Improvement District Act is intended only to
17 conform to the style of the Pennsylvania Consolidated
18 Statutes and is not intended to change or affect the
19 legislative intent, judicial construction or administration
20 and implementation of the Neighborhood Improvement District
21 Act.

22 (3) Paragraph (2) does not apply to the addition of the
23 following provisions:

24 (i) The definitions of "cultural improvement
25 district" and "neighborhood improvement district" in 53
26 Pa.C.S. § 6223.

27 (ii) 53 Pa.C.S. § 6228.

28 Section 4. This act shall take effect in 60 days.