

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1142 Session of 1999

INTRODUCED BY REINARD, PETRONE, J. TAYLOR, MARSICO, PIPPY, LEH, STURLA, YOUNGBLOOD, CORRIGAN, RAMOS, ROSS, ARGALL, L. I. COHEN, COSTA, BUNT, WRIGHT, FICHTER, READSHAW, FREEMAN, McILHINNEY, MANDERINO, THOMAS, STEELMAN, E. Z. TAYLOR, WILLIAMS AND BROWNE, MARCH 29, 1999

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 26, 1999

AN ACT

1 Establishing Neighborhood Improvement Districts; conferring
2 powers and duties on municipal corporations and neighborhood
3 improvement districts; providing for annual audits; and
4 making repeals.

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17 improvement district.

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4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Neighborhood
8 Improvement District Act.

9 Section 2. Legislative findings.

10 The General Assembly finds that:

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

13 (2) The General Fund revenue derived from these taxes
14 many times is not sufficient to provide adequate municipal
15 services or additional services needed in specific geographic
16 areas within the municipality, including, but not limited to,
17 downtown commercial districts.

18 (3) As a result, municipalities should be encouraged to
19 create, where feasible and desired, assessment-based
20 neighborhood improvement districts which would include, but
21 not be limited to, downtown commercial districts. Designated
22 district management associations would initiate and
23 administer programs to promote and enhance more attractive
24 and safer commercial, industrial, residential and mixed-use
25 neighborhoods; economic growth; increased employment
26 opportunities; and improved commercial, industrial, business
27 districts and business climates.

28 (4) Municipalities should be given the broadest possible
29 discretion in establishing by local ordinance the type of
30 assessment-based programs most consistent with neighborhood

1 needs, goals and objectives, as determined and expressed by
2 property owners in the designated district.

3 Section 3. Definitions.

4 The following words and phrases when used in this act shall
5 have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Authority." A body politic and corporate, created pursuant
8 to the act of May 2, 1945 (P.L.382, No.164), known as the
9 Municipality Authorities Act of 1945.

10 "Benefited property." Those properties located within a
11 neighborhood improvement district which profit from district
12 improvements based on a rational nexus test. Properties need not
13 profit equally to be considered to have benefited.

14 "Bonds." The term shall include the notes, bonds and other
15 evidence of indebtedness or obligations which each municipal
16 corporation is authorized to issue under section 4(5).

17 "Business improvement." In the case of neighborhood
18 improvement district management associations created for the
19 purpose of making improvements or providing administrative
20 services within a neighborhood improvement district, the term
21 shall mean those improvements needed in specific areas or to
22 individual properties, including, but not limited to, sidewalks,
23 retaining walls, street paving, parks, recreational equipment
24 and facilities, open space, street lighting, parking lots,
25 parking garages, trees and shrubbery, pedestrian walks, sewers,
26 water lines, rest areas and the acquisition and rehabilitation
27 or demolition of blighted buildings or structures.

28 "Business improvement district." A business improvement
29 district (BID) created prior to the effective date of this act
30 governed by the act of May 2, 1945 (P.L.382, No.164), known as

1 the Municipality Authorities Act of 1945, insofar as it relates
2 to business improvement districts or 53 Pa.C.S. Ch. 54 (relating
3 to business improvement districts). On or after the effective
4 date of this act, the term shall mean a limited, geographical
5 area comprised of real property which is used for any for-profit
6 activity involving trade and traffic, or commerce in general.

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

9 "Construction expenditures." Property and right-of-way
10 acquisition costs where applicable.

11 "Costs of improvements." The term includes architectural
12 fees, engineering fees, attorney fees, consulting fees,
13 professional fees, preliminary planning expenditures,
14 feasibility study expenditures, financing costs and any other
15 expenditures necessary and incidental to the development,
16 construction or completion of the improvement.

17 "District Advisory Council." A committee comprised of
18 property owners from a neighborhood improvement district
19 established under section 7(a), for the purpose of providing
20 guidance and direction to the neighborhood improvement district
21 management association concerning association activities within
22 the district.

23 "Industrial district." A limited, geographical area
24 comprised of real property which is used predominantly for
25 manufacturing, commercial or any other activity related to the
26 distribution of goods and services and intermediate and final
27 products, including, but not limited to, warehousing, shipping,
28 transportation, remanufacturing, stockpiling of raw materials,
29 repair and maintenance of machinery and equipment, storage,
30 administration or business activities, and research and

1 development.

2 "Institution." The term includes, but is not limited to,
3 colleges, universities, schools, hospitals, museums, theaters,
4 churches, synagogues, art centers or similar facilities.

5 "Institutional district." A limited, geographical area
6 comprised predominantly of real property on which educational,
7 health-related or cultural activities occur within buildings and
8 structures, including, but not limited to, colleges,
9 universities, schools, hospitals, museums, theaters, churches,
10 synagogues and art centers.

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

14 "Municipal corporation." The body or board authorized by law
15 to enact ordinances or adopt resolutions for the particular
16 municipality.

17 "Municipality." With the exception of cities of the first
18 class, any city, borough, incorporated town, township, home
19 rule, optional plan or optional charter municipality, located
20 within this Commonwealth.

21 "Neighborhood." A limited geographic area within a
22 municipality establishing a neighborhood improvement district,
23 the limits of which form the neighborhood improvement district
24 boundary.

25 "Neighborhood improvement." Improvements needed in specific
26 geographic areas or to individual properties within those areas,
27 including, but not limited to, sidewalks, retaining walls,
28 street paving, parks, recreational equipment and facilities,
29 open space, street lighting, parking lots, trees and shrubbery,
30 sewers, water lines, rest areas and the acquisition and

1 rehabilitation or demolition of deteriorated buildings or
2 structures.

3 "Neighborhood improvement district." A limited geographic
4 area within a municipality, in which a special assessment is
5 levied on all designated property, other than tax-exempt
6 property, for the purpose of promoting the economic and general
7 welfare of the district and the municipality, hereinafter
8 referred to as NID. Such districts shall be referred to
9 generally as neighborhood improvement district (NID) and
10 specifically as: business improvement district (BID);
11 residential improvement district (RID); industrial improvement
12 district (IID); institutional improvement district (INID); or
13 mixed-use improvement district (MID) depending on the type
14 district established. A DESIGNATED PROPERTY MAY NOT BE INCLUDED ←
15 IN MORE THAN ONE NEIGHBORHOOD IMPROVEMENT DISTRICT.

16 "Neighborhood improvement district management association."
17 The governing body which oversees the management of neighborhood
18 improvement districts in a municipality as established under
19 section 5 which hereinafter shall be referred to as the NIDMA.
20 Such body shall be incorporated as a nonprofit corporation in
21 this Commonwealth or an authority as established pursuant to the
22 act of May 2, 1945 (P.L.382, No.164), known as the Municipality
23 Authorities Act of 1945.

24 "Neighborhood improvement district plan." The strategic plan
25 for neighborhood improvements required by section 5, hereinafter
26 referred to as NIDP, and all projects, programs and supplemental
27 services to be provided within the district to implement the
28 plan by the neighborhood improvement district management
29 association.

30 "Neighborhood improvement district services." In the case of

1 neighborhood improvement district management associations
2 created for the purpose of making improvements or providing
3 expanded services within any neighborhood business improvement
4 districts established, the term shall include, but not be
5 limited to, those services which improve the ability of the
6 commercial establishments within the district to serve the
7 consumer, such as free or reduced-fee parking for customers,
8 transportation-related expenses, public relations programs,
9 group advertising, and district maintenance and security
10 services. For services provided within any residential,
11 industrial, institutional, or mixed-use neighborhood improvement
12 district, the term shall include, but not be limited to, those
13 services which improve the ability of property owners to enjoy a
14 safer and more attractive neighborhood through the provision of
15 increased or expanded services, including street lighting,
16 street cleaning, street maintenance, parks, recreational
17 equipment and facilities, open space and/or security services.

18 "Nonprofit corporation." A legal entity that is incorporated
19 within this Commonwealth and specifies in its charter or bylaws
20 that no part of the net earnings may benefit any private
21 shareholder or individual holding interest in such entity.

22 "Private security officer." Any person or firm employed by
23 the neighborhood improvement district management association for
24 the purpose of providing increased security or protective patrol
25 services within the neighborhood improvement district. The term
26 may include off-duty police officers provided that the use of
27 such officers for this purpose is approved by the governing body
28 of the municipality in which the neighborhood improvement
29 district is located or the municipality where the officer is
30 employed if different.

1 "Project." The acquisition, development, construction,
2 improvement, rehabilitation, operation and/or maintenance of any
3 building, facility, equipment or structure, by purchase, lease
4 or contract, by a neighborhood improvement district management
5 association to facilitate neighborhood and business improvements
6 as authorized by this act.

7 "Rational nexus." The legal principle which requires that
8 there is a rational, definable benefit which accrues to any
9 property owner assessed a fee for said benefit in a neighborhood
10 improvement district created under this act. All property owners
11 within a designated neighborhood improvement district paying a
12 special assessment fee must benefit directly or indirectly from
13 facilities or services provided by a neighborhood improvement
14 district management association within the neighborhood
15 improvement district, provided, however, that property owners
16 need not benefit equally.

17 "Residential district." A limited, geographical area
18 comprised of real property consisting predominantly of buildings
19 and structures for housing individuals and families, including,
20 but not limited to, single family detached homes, single family
21 semi-detached homes, townhouses, condominiums, apartments,
22 manufactured homes, modular homes or any combination of same.

23 "Service area." The area within the boundaries of the
24 neighborhood improvement district established by a municipality
25 under this act, in which the neighborhood improvement district
26 management association provides programs, services and
27 improvements. The term may also include an area outside of the
28 neighborhood improvement district where services are being
29 provided by the neighborhood improvement district management
30 association under contract.

1 "Special assessment fee." The fee assessed on property
2 owners within a neighborhood improvement district, levied by the
3 municipality establishing a neighborhood improvement district,
4 under section 4(8), for the purposes of providing programs,
5 improvements and services, under section 7.

6 "Sunset provision." The term means a provision in the
7 neighborhood improvement district plan, under section 5(c),
8 establishing a neighborhood improvement district, which provides
9 for the automatic termination of the neighborhood improvement
10 district on a date specified in the neighborhood improvement
11 district plan and in the municipal ordinance establishing the
12 neighborhood improvement district. The neighborhood improvement
13 district may be continued beyond that date, provided the
14 municipal enabling ordinance creating the original neighborhood
15 improvement district is reenacted, following a review of the
16 neighborhood improvement district and the neighborhood
17 improvement district management association programs and
18 services provided within the neighborhood improvement district,
19 by the municipality.

20 Section 4. Powers of municipal corporation.

21 Every municipal corporation shall have the power:

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

24 (2) To establish an authority to administer the NID or
25 to designate an existing community development corporation or
26 other existing nonprofit corporation to administer same or to
27 create a community development corporation or other nonprofit
28 corporation to administer same, under sections 6 and 7.

29 (3) To appropriate and expend, in accordance with the
30 specific provisions of the municipal enabling ordinance,

1 municipal funds as may be required to:

2 (i) Acquire by purchase or lease real or personal
3 property deemed necessary to effectuate the purposes of
4 the NID.

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

20 (4) To advance funds to a NIDMA as may be required to
21 carry out the purposes of this act.

22 (5) To collect special property assessments on behalf of
23 the NIDMA levied on designated property owners within the
24 NID, and to employ any legal methods to insure collection of
25 the assessments.

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

30 (7) To issue bonds, notes or guarantees, in accordance

1 with the provisions of general laws in the amounts and for
2 the periods necessary, to finance needed improvements within
3 any NID.

4 (8) To review all proposed expenditures of funds within
5 NIDs by NIDMAS and suggest changes to same where a nonprofit
6 corporation is the NIDMA.

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

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

14 Section 5. Creation of neighborhood improvement district.

15 (a) Establishment.--

16 (1) The governing body of the municipality, or any
17 municipal businesses, or residents, or combination thereof,
18 may initiate action to establish an NID or NIDs within the
19 municipality, under this act.

20 (2) In the case of businesses, or residents, or both
21 desiring to establish an NID, where the municipality has not
22 taken action to do so, the governing body of the municipality
23 may be petitioned to establish an NID, under the procedures
24 provided for by this act.

25 (3) In no case, where the governing body of a
26 municipality is petitioned to establish an NID under
27 paragraph (2), shall the municipality be required to
28 establish an NID.

29 (b) Specific procedures.--

30 (1) A copy of everything required under this section, as

1 well as the date, location and time of any public hearing
2 required by this act, shall be provided by the municipal
3 corporation to all property owners and lessees of property
4 owners located in the proposed NID, at least 30 days prior to
5 the first public hearing required by this section.

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

13 (3) Any objections by property owners within the
14 proposed NID must be made in writing, by persons representing
15 the ownership of 51%, in numbers, of the benefited properties
16 within the NID, or by property owners within the proposed NID
17 whose property valuation, as assessed for taxable purposes,
18 shall amount to 51% of the total property valuation within
19 the NID. Objections must be signed by the property owner and
20 filed in the office of the clerk for the governing body of
21 the municipality in which the NID is proposed.

22 (c) Contents of preliminary plan.--The plan shall include
23 the following:

24 (1) A map indicating the boundaries by street of the
25 proposed NID, HOWEVER, A DESIGNATED PROPERTY MAY NOT BE
26 INCLUDED IN MORE THAN ONE NID. ←

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

28 (i) The name of the proposed district.

29 (ii) A detailed description of the service areas of
30 the proposed district.

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

1 or a financial contribution to the NIDMA, if not
2 assessed, in lieu of a property assessment fee.

3 (iv) Require in the agreement between the municipal
4 corporation and the NIDMA that the municipality must
5 maintain the same level of municipal programs and
6 services provided within the NID before NID designation
7 as after NID designation.

8 (v) Allow the municipal corporation the right to
9 include in the agreement with the NIDMA and in the
10 enabling ordinance establishing the NID a sunset
11 provision of no less than five years for renewal of the
12 agreement.

13 (vi) Require in the agreement with the NIDMA that
14 the municipality establishing an NID shall be responsible
15 for the collection of all property assessment fees levied
16 within the NID, if so desired by the NIDMA.

17 (vii) Provide that a negative vote of at least 51%
18 of the property owners within the NID, or property owners
19 within the NID whose property valuation as assessed for
20 taxable purposes amounts to 51% of the total property
21 valuation located within the NID proposed in the final
22 plan, shall be required to defeat the establishment of
23 the proposed NID by filing objections with the clerk for
24 the governing body of the municipality within 45 days of
25 presentation of the final plan, where the governing body
26 of municipality is inclined to establish the NID.

27 (d) Final plan.--Prior to the establishment of an NID, the
28 municipality shall submit a revised final plan to property
29 owners located within the proposed NID, which incorporates
30 changes made to the plan, based on comments from affected

1 property owners within the NID, provided at the public hearings
2 or at some other time. Changes to the final plan, which differ
3 from the preliminary plan, shall also be so indicated in an
4 easily discernible method for the reader, including, but not
5 limited to, changes being in boldfaced or italicized type.

6 (e) Public hearing.--At least one public hearing for the
7 purpose of receiving public comment on any revisions to the
8 preliminary plan made following suggestions by affected property
9 owners within the proposed NID and reflected in the final NIDP
10 shall be held by the municipal corporation before enacting an
11 ordinance establishing an NID. Notice of the hearing shall be
12 advertised at least ten days prior thereto in a newspaper of
13 general circulation in the municipality.

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

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

22 (2) If 51% or more of the affected property owners or
23 property owners whose property valuation as assessed for
24 taxable purposes amounts to 51% of the total property
25 valuation within the proposed NID fail to register their
26 disapproval of the final plan or amendment to the final plan
27 in writing with the clerk of the governing body of the
28 municipality in which the NID is proposed, the governing body
29 of the municipality may, following the 45-day period, enact a
30 municipal ordinance establishing an NID under this act, or in

1 the case of an amendment to the final plan, adopt any
2 amendments to the ordinance.

3 (g) Amendments to final plan.--

4 (1) The final plan may be amended by the NIDMA any time
5 after the establishment of an NID, pursuant to the provisions
6 of this act, upon the recommendation of the NIDMA board,
7 provided there is concurrence with the owners of at least 51%
8 of the assessed valuation of all property within the NID or
9 51% of the property owners within the NID.

10 (2) Amendments to the final plan which also require the
11 approval of the governing body of the municipality
12 establishing the NID, include:

13 (i) Substantially changed or added programs,
14 improvements and/or services to be provided in the NID.

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

17 (iii) Incurring increased indebtedness.

18 (iv) Changing the assessment fee structure levied on
19 property owners in the NID.

20 (v) Changing the legal entity (NIDMA) which provides
21 programs, improvements and services within the NID.

22 (vi) Changing the NID service area boundary.

23 Prior to the governing body of the municipality approving any
24 of the changes in this paragraph, the governing body shall
25 hold at least one public hearing to determine that such
26 changes are in the public interest as it relates to affected
27 property owners within the NID.

28 (3) The municipality shall provide public notice of the
29 hearing for any amendments, by publication of a notice, in at
30 least one newspaper having a general circulation in the NID,

1 specifying the time and the place of such hearing and the
2 amendments to be considered. This notice shall be published
3 once at least 10 days prior to the date of the hearing.

4 (4) The governing body of the municipality may, within
5 30 days following the public hearing and at its sole
6 discretion, approve or disapprove of any amendments to the
7 plan. If approved, such amendments shall be effective upon
8 the date of such approval.

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

15 Section 6. Creation of neighborhood improvement district
16 management association.

17 (a) Association designated.--When a municipality establishes
18 an NID under this act, a neighborhood improvement district
19 management association shall be designated by the governing body
20 of the municipality in which the NID is to be located to
21 administer programs, improvements and services within the NID.

22 (b) Administration.--

23 (1) NIDs created pursuant to this act shall be
24 administered by an NIDMA which shall be an authority created
25 pursuant to the act of May 2, 1945 (P.L.382, No.164), known
26 as the Municipality Authorities Act of 1945, an existing
27 nonprofit development corporation, an existing nonprofit
28 corporation or a nonprofit development corporation or
29 nonprofit corporation established by the governing body or
30 authorized to be established by the governing body of the

1 municipality in which the NID is to be located, to administer
2 the NIDP.

3 (2) If an active nonprofit development corporation
4 already exists within the geographic boundaries of the NID
5 and formally indicates its interest to the governing body of
6 the municipality to become the designated NIDMA, the
7 governing body of the municipality shall grant that request
8 unless 51% or more of the affected property owners or
9 property owners whose property valuation as assessed for
10 taxable purposes amounts to 51% of the total property
11 valuation within the proposed NID register their disapproval
12 of this designation in writing with the clerk of the
13 governing body within a 45-day period following the formal
14 written request for designation by the nonprofit development
15 corporation to become the NIDMA.

16 (c) Powers.--An NIDMA created under this act shall assume
17 all powers provided for in section 7 immediately upon the
18 effective date of the municipal ordinance enacted under section
19 4 creating an NID.

20 (d) Board.--Every NIDMA shall have an administrative board.

21 (1) Where an authority created pursuant to the
22 Municipality Authorities Act of 1945 serves as the NIDMA, the
23 board shall be appointed pursuant to the Municipality
24 Authorities Act of 1945.

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

29 (3) Where a nonprofit development corporation or other
30 nonprofit corporation is established to serve as the NIDMA

1 for an NID, the board shall be comprised of an odd number of
2 members, between five and nine, with at least one member
3 representing the municipal corporation in which the NID is
4 located.

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

11 Section 7. Powers of neighborhood improvement district
12 management association.

13 (a) General powers.--A NIDMA shall have, in addition to any
14 other powers provided pursuant to the act of May 2, 1945
15 (P.L.382, No.164), known as the Municipality Authorities Act of
16 1945, where the NIDMA is an authority, or in addition to any
17 other powers provided pursuant to the charter establishing a
18 nonprofit development corporation or other nonprofit
19 corporation, where the NIDMA is a nonprofit development
20 corporation or other nonprofit corporation, the power to:

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

23 (2) Employ an executive director or administrator and
24 any necessary supporting staff or contract for the provision
25 of same.

26 (3) Prepare planning or feasibility studies or contract
27 for the preparation of same, to determine needed capital
28 improvements or administrative programs and services within
29 the NID.

30 (4) Make capital improvements or provide administrative

1 programs and services within an NID.

2 (5) Purchase, own, construct, renovate, develop,
3 operate, rehabilitate, manage, sell and/or dispose of real
4 property.

5 (6) Contract with existing businesses within the NID.

6 (7) Contract for the provision of products or services
7 by the NIDMA to clients located inside and outside of the
8 NID, including billing and collection of assessment fees by
9 another NIDMA.

10 (8) Appropriate and expend NID funds which would include
11 any Federal, State or municipal funds received by the NIDMA.
12 The funds shall be expended in accordance with any specific
13 provisions contained in the municipal enabling ordinance
14 establishing the NID and may be used:

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

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

29 (iii) To impose special assessment fees.

30 (9) Solicit in-kind services or financial contributions

1 from tax-exempt property owners within the NID in lieu of
2 property assessment fees. This may include entering into
3 voluntary multiyear agreements (VMAs) between the NIDMA and
4 tax-exempt property owners located within an NID, for the
5 provision of same.

6 (10) Impose liens on property for the nonpayment of
7 property assessments. NIDs administered by nonprofit
8 corporations would have any such liens filed by the municipal
9 corporation.

10 (11) Hire additional off-duty police officers or private
11 security officers, whose patrol area responsibilities would
12 be limited to the geographical area incorporated within the
13 designated NID service area and whose responsibility would be
14 to support existing municipal and volunteer efforts aimed at
15 reducing crime and improving security in the NID.

16 (12) Designate a district advisory committee, referred
17 to as the DAC, for each NID established within the
18 municipality. Each DAC shall consist of an odd number of
19 members, between five and nine, who shall be representative
20 of the neighborhood's character, including, but not limited
21 to, age, sex and cultural diversity.

22 (b) Assessments.--

23 (1) The NIDMA shall, upon approval by the governing body
24 of the municipality, have the power to assess property owners
25 within the NID a special property assessment fee. Revenues
26 from the fee shall be accounted for and used by the NIDMA to
27 make improvements and provide programs and services within
28 the NID as authorized by this act. Where the district
29 established is a BID, the NIDMA shall have the authority to
30 exempt residential property owners from any special

1 assessment fees levied.

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

5 (3) All special property assessment fees shall be based
6 upon the estimated cost of the programs, improvements or
7 services to be provided in such NID as stated in the final
8 plan under section 5(d). In no case shall the aggregate
9 amount of all fees levied by the NIDMA during the year exceed
10 the estimated cost of proposed programs, improvements and
11 services for the year.

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

20 (5) The total costs of improvements, programs and
21 administrative services provided by the NIDMA shall be
22 assessed to all designated properties within the NID by one
23 of the following methods:

24 (i) An assessment determined by multiplying the
25 total service and improvement costs by the ratio of the
26 assessed value of the benefited property to the total
27 assessed valuation of all designated benefited properties
28 in the NID.

29 (ii) An assessment upon the several properties in
30 the NID in proportion to benefits as ascertained by

1 viewers appointed in accordance with law.

2 (iii) Any method that equitably apportions costs
3 among benefiting properties.

4 (iv) In the case of improvements benefiting
5 properties abutting the NID by the front-foot method,
6 with equitable adjustments for corner properties and
7 other cases provided for in the municipal ordinance. Any
8 property which cannot be equitably assessed by the front-
9 foot method may be assessed by any of the above methods.

10 (c) Payment.--The governing body may by ordinance authorize
11 the payment of the assessment in equal annual or more frequent
12 installments, over such time and bearing interest at the rate
13 specified in the municipal ordinance. If bonds have been issued
14 and sold, or notes or guarantees have been given or issued, to
15 provide for the cost of the services and improvements, the
16 assessment in equal installments shall not be payable beyond the
17 term for which the bonds, notes or guarantees are payable.

18 (d) Liens.--

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

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

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

1 the current year.

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

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

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

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

29 (6) Claims to secure the assessments shall be entered in
30 the prothonotary's office of the county at the same time, and

1 in the same form, and collected in the same manner, as
2 municipal tax claims are filed and collected, notwithstanding
3 the provisions of this section as to installment payments.

4 Section 8. Dissolution of neighborhood improvement district
5 management association and neighborhood
6 improvement district.

7 (a) Conveying projects.--When any NIDMA shall have finally
8 paid and discharged all bonds which, together with the interest
9 due thereon, shall have been secured by a pledge of any of the
10 revenues or receipts of a project, it may, subject to any
11 agreements concerning the operation or disposition of such
12 project and the NIDMA bylaws, convey such project or projects to
13 the municipal corporation which established or had established
14 the NIDMA.

15 (b) Request for termination.--Any request for the
16 termination of the NID and NIDMA approved by 51% of the assessed
17 property owners, in numbers, located in the NID, shall be
18 submitted to the governing body of the municipality in writing.
19 The governing body shall hold a hearing on the merits of same,
20 pursuant to section 5(b)(2) as it relates to the required
21 procedure of holding a hearing. Such written request shall be
22 considered by the governing body of the municipality. If the
23 request is approved by the governing body of the municipality,
24 then a resolution to that effect shall be filed with the
25 Secretary of the Commonwealth, and the secretary shall note the
26 termination of the existence on the record of incorporation and
27 return the resolution with his or her approval shown on the
28 resolution to the municipal corporation. Then, the property of
29 the NIDMA shall pass to the municipal corporation, as the case
30 may be, and the NIDMA and NID shall cease to exist. Any request

1 for the termination of the NID and NIDMA by the governing body
2 of the municipality in which the NID is located shall result in
3 a hearing on the merits of same, pursuant to section 5(b)(2) as
4 it relates to the required procedure for holding a hearing.
5 Before the decision to terminate an NID and NIDMA is made, such
6 termination must be approved by 51% of the assessed property
7 owners, in numbers, located in the NID, and shall be submitted
8 to the governing body of the municipality in writing. Such
9 written request shall be considered by the governing body of the
10 municipality. If the request is approved by the governing body
11 of the municipality, then a resolution to that effect shall be
12 filed with the Secretary of the Commonwealth, and the secretary
13 shall note the termination of the existence on the record of
14 incorporation and return the resolution with his or her approval
15 shown to the municipal corporation. The property of the NIDMA
16 shall pass to the municipal corporation, as the case may be, and
17 the NIDMA and NID shall cease to exist.

18 Section 9. Annual audit; report.

19 The NIDMA shall annually:

20 (1) submit an audit of all income and expenditures to
21 the Department of Community and Economic Development and the
22 governing body of the municipality in which the NID is
23 located within 120 days after the end of each fiscal year;

24 and

25 (2) submit a report, including financial and
26 programmatic information, including a summary of audit
27 findings, to the governing body of the municipality in which
28 the NID is located and to all assessed property owners
29 located in the NID.

30 Section 10. Applicability.

1 (a) Existing districts.--Except as provided for in
2 subsection (d), any existing business improvement district or
3 downtown improvement district established prior to the effective
4 date of this act shall remain in existence and shall be governed
5 by the Municipality Authorities Act of 1945, insofar as it
6 relates to business improvement districts or 53 Pa.C.S. Ch. 54
7 (relating to business improvement districts).

8 (b) Districts created subsequently.--Any NID established
9 subsequent to the effective date of this act shall be governed
10 by the provisions of this act.

11 (c) Previously terminated districts.--Any business
12 improvement district or downtown improvement district in
13 existence prior to the effective date of this act which is
14 terminated shall, upon its reestablishment, be governed by the
15 provisions of this act. This shall include any termination
16 resulting from a sunset provision in any municipal agreement or
17 ordinance.

18 (d) Additional requirements.--Any business improvement
19 district or downtown improvement district in existence on the
20 effective date of this act shall:

21 (1) be required to carry out any duty or responsibility
22 imposed on NIDs under this act; and

23 (2) possess any additional power given to NIDs under
24 this act without having to restructure or reorganize under
25 this act.

26 Section 11. Effective date.

27 This act shall take effect in 60 days.