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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 2701** Session of  
2008

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INTRODUCED BY ARGALL, ADOLPH, BOYD, BRENNAN, CARROLL, CUTLER,  
DePASQUALE, EVERETT, FRANKEL, GEIST, GINGRICH, GOODMAN,  
HARHART, HENNESSEY, HERSHEY, HESS, KORTZ, KOTIK, MANDERINO,  
MANN, MARSICO, MICOZZIE, R. MILLER, MOYER, MYERS, READSHAW,  
ROSS, SCAVELLO, SIPTROTH, STURLA, SWANGER, J. TAYLOR, WALKO,  
WATSON AND YOUNGBLOOD, JULY 2, 2008

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REFERRED TO COMMITTEE ON COMMERCE, JULY 2, 2008

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AN ACT

1 Providing for the establishment of cooperative community  
2 development programs throughout this Commonwealth utilizing  
3 the resources of the Commonwealth, local municipalities and  
4 employers to encourage employees to locate near and reside in  
5 communities located close to employer worksites; establishing  
6 a tax credit program to encourage employer participation; and  
7 imposing additional powers and duties on the Department of  
8 Community and Economic Development and the Department of  
9 Revenue.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 Section 1. Short title.

13 This act shall be known and may be cited as the Live Near  
14 Your Work Program Act.

15 Section 2. Legislative purpose.

16 The General Assembly by enactment of this legislative  
17 proposal intends to accomplish the following objectives:

18 (1) Stimulate home ownership in designated neighborhoods  
19 which qualify for participation in a Live Near Your Work

1 project.

2 (2) Promote public-private partnerships to strengthen,  
3 revitalize and preserve communities.

4 (3) Support Commonwealth transportation policy by  
5 promoting shorter commuting times.

6 (4) Support employer compliance with the Clean Air Act  
7 Amendments of 1990 (Public Law 101-549, 42 U.S.C. § 7401 et  
8 seq.).

9 (5) Promote the controlled, planned, ecologically sound  
10 and people friendly growth of Pennsylvania communities.

11 Section 3. Definitions.

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

15 "Department." The Department of Community and Economic  
16 Development of the Commonwealth.

17 "Designated neighborhood." A neighborhood in a city of the  
18 first class, second class, second class A or third class or a  
19 borough in Pennsylvania that has been designated as a Live Near  
20 Your Work area neighborhood where employees may purchase homes  
21 under an LNYW program. The business's plan and the designated  
22 neighborhood must be approved by the Department of Community and  
23 Economic Development.

24 "Eligible employee." An individual who meets all of the  
25 following criteria:

26 (1) Is employed by an employer participating in the Live  
27 Near Your Work Tax Credit Program.

28 (2) Is 18 years of age or older.

29 (3) Has a contract to purchase an eligible residence  
30 located in the employer's applicable LNYW area.

1 (4) Holds or will hold title to an eligible residence.

2 (5) Makes or will make a cash contribution of at least  
3 \$1,000 toward the cost of the down payment or settlement  
4 costs in connection with purchasing an eligible residence.

5 (6) Is willing to disclose household income.

6 (7) Meets any additional eligibility requirements  
7 imposed by the local municipality, the participating employer  
8 or by the Department of Community and Economic Development  
9 and is approved by the department.

10 "Eligible residence." A residential dwelling unit that  
11 satisfies all of the following requirements:

12 (1) The dwelling unit is the primary residence of an  
13 eligible employee.

14 (2) The dwelling unit is located in the Live Near Your  
15 Work area of the employer of the eligible employee.

16 (3) The dwelling unit is a single unit, a townhouse or a  
17 condominium unit.

18 "Household income." The combined income of an employee-owner  
19 and any co-owner of an eligible residence who are assisted  
20 pursuant to the provisions of this act.

21 "Income." The amount of Pennsylvania taxable income listed  
22 on the Pennsylvania Personal Income Tax Return of an eligible  
23 employee or any co-owner with an eligible employee for the  
24 calendar year in which assistance under this act is received.

25 "LNYW." The acronym derived from the Live Near Your Work  
26 Program established under section 4.

27 "LNYW area." An area within a local municipality that:

28 (1) Is designated as the area where eligible employees  
29 of an employer may purchase a residence.

30 (2) Has a relationship to the employer's worksite

1 location that supports the objectives of the program.

2 (3) Is approved by the local municipality in which the  
3 area exists for consistency with the local comprehensive  
4 zoning plan.

5 (4) Is approved by the Department of Community and  
6 Economic Development.

7 "LNYW grant." The funds granted by the employer to the  
8 eligible employee under the terms of this act. The minimum  
9 amount of a Live Near Your Work grant shall be \$1,500.

10 "LNYW project." The program operated by the local  
11 municipality within the Live Near Your Work boundary for the  
12 local municipality.

13 "Local municipality." A city of the first class, second  
14 class, second class A or third class or borough located within  
15 this Commonwealth.

16 "Program." The Live Near Your Work Program established under  
17 section 4.

18 "Settlement costs." Those costs which are paid by the buyer  
19 of a residence at the time of settlement, including, but not  
20 limited to:

- 21 (1) Any credit or mortgage application fee.
- 22 (2) Any title insurance premium and title search fees.
- 23 (3) Any attorney fees.
- 24 (4) Any document preparation fee.
- 25 (5) Any real property inspection or appraisal fees.
- 26 (6) Any portion of the Realty Transfer Tax paid by the  
27 purchaser.

28 Section 4. LNYW Program.

29 The department shall establish, implement and administer the  
30 Live Near Your Work Program. The program shall be a cooperative

1 effort between the Commonwealth, local municipalities and  
2 employers to designate LNYW areas within local municipalities  
3 where LNYW projects may be located and where employer assistance  
4 may be given to eligible employees to purchase residential  
5 dwelling units within the LNYW project.

6 Section 5. Employer eligibility criteria for participation in  
7 LNYW Program.

8 (a) Specific criteria.--Any employer who wishes to  
9 participate in a program and designate an LNYW area shall meet  
10 all of the following requirements:

11 (1) In conjunction with the local municipality, apply to  
12 the department for the approval of a designated area or areas  
13 within a local municipality as an LNYW area.

14 (2) Agree to provide an LNYW cash grant equal to at  
15 least \$1,500 per household to each participating employee who  
16 purchases a residential dwelling unit within an LNYW area to  
17 reimburse the employee for a portion of the settlement costs  
18 incurred for the purchase.

19 (3) In coordination with the local municipality  
20 designate an LNYW area.

21 (4) Coordinate participation in the program with the  
22 local municipality.

23 (5) Submit all other materials to and comply with any  
24 restrictions imposed by the local municipality or the  
25 department.

26 (6) Make all contributions in the form of a cash grant.

27 (7) Designate LNYW area neighborhoods within a  
28 reasonable distance by bicycle or by foot from the  
29 participating employer.

30 (b) Additional criteria.--Consistent with the purposes of

1 this act, the department shall and a local municipality may  
2 promulgate and adopt additional criteria necessary to carry out  
3 the provisions of this act.

4 (c) Multiple employer locations.--If an employer has more  
5 than one worksite location, there may be an LNYW area for each  
6 worksite location, each of which shall comply with this act and  
7 any department and local municipal regulations regarding the  
8 designation and approval of an LNYW area. The LNYW areas for an  
9 employer under this section may overlap. In addition to any  
10 other requirements of this act, an employee and a residence  
11 shall only be eligible if the residence is located in the LNYW  
12 area of the employer for the worksite location where the  
13 employee works.

14 Section 6. Employee eligibility to participate in LNYW Program.

15 In addition to any other criteria established by the  
16 department, the local municipality and the employer for  
17 participation by an employee, an employee who has a Pennsylvania  
18 taxable income in excess of \$90,000 in the year of application  
19 for a cash grant shall not be eligible for participation.

20 Section 7. LNYW tax credit.

21 (a) Eligibility.--Each employer who establishes an approved  
22 LNYW area and makes a minimum of \$12,000 per taxable year of  
23 cash grants to eligible employees shall, subject to subsection  
24 (b), be eligible to receive a tax credit equal to 50% of the  
25 amount of money invested in the LNYW area and paid as cash  
26 grants.

27 (b) Annual approval.--The department and each local  
28 municipality where the employer has an approved LNYW area shall  
29 annually certify to the Department of Revenue that the employer  
30 applicant for a tax credit has complied with the provisions of

1 this act and the regulations promulgated by the department and  
2 local municipality.

3 (c) Grant of tax credit.--The Department of Revenue, after  
4 receipt of an application under subsection (a) and the  
5 certification under subsection (b), shall grant a tax credit as  
6 provided in subsection (a) to be used by the employer to satisfy  
7 any Pennsylvania tax liability due under Article III, IV, VI,  
8 VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2),  
9 known as the Tax Reform Code of 1971.

10 (d) Annual limitations.--Annually, the total amount of tax  
11 credits approved under this section shall not exceed \$2,000,000.

12 (e) Employer limitations.--The following limitations shall  
13 apply to any employer who receives a tax credit under this  
14 section:

15 (1) The tax credit used in any one taxable year shall  
16 not exceed the tax liability of the employer.

17 (2) An employer which is a bank, bank and trust company,  
18 insurance company, trust company, national bank, savings  
19 association, mutual savings bank or building and loan  
20 association shall not be eligible to receive any tax credits  
21 under this section for activities that are part of their  
22 normal course of business.

23 (f) Carryforward of unused tax credit.--Any tax credit not  
24 used in the period the investment was made may be carried  
25 forward for the next five succeeding calendar or fiscal years  
26 until the full credit has been exhausted.

27 Section 8. Taxability of cash grant.

28 Any LNYW cash grant received under this act shall not be  
29 taxable for any purposes under Article III of the act of March  
30 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

1 Section 9. Additional duties of department.

2 (a) Annual list of approved LNYW areas.--The department  
3 shall compile a list of all applications for LNYW areas  
4 submitted under this act. The list shall also include the  
5 disposition of each application. This list shall be submitted by  
6 the department to the Governor and the General Assembly annually  
7 on or before October 1.

8 (b) Written response.--The decision of the Secretary of  
9 Community and Economic Development to approve or disapprove an  
10 application under section 7 shall be in writing, and, if the  
11 proposal is approved, it shall state the maximum credit  
12 allowable to the employer. A copy of the decision of the  
13 secretary shall be transmitted to the Secretary of Revenue.

14 Section 10. Expiration.

15 This act shall expire July 1, 2010.

16 Section 11. Effective date.

17 This act shall take effect in 90 days.