

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1177 Session of  
2013

INTRODUCED BY LUCAS, MILLARD AND CALTAGIRONE, APRIL 15, 2013

AMENDMENTS TO HOUSE AMENDMENTS, IN SENATE, JULY 8, 2014

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania  
2 Consolidated Statutes, providing for appeal of decision by  
3 school reform commission; further providing for initiative of  
4 electors seeking consolidation or merger with new home rule  
5 charter; AND FOR INVESTMENT OF AUTHORITY FUNDS; CONSOLIDATING <--  
6 CITY REVITALIZATION AND IMPROVEMENT ZONE PROVISIONS OF THE  
7 TAX REFORM CODE OF 1971 AND REVISING PROVISIONS ON  
8 DEFINITIONS, ESTABLISHMENT OF CONTRACTING AUTHORITY,  
9 CONTRACTING AUTHORITY DUTIES, APPROVAL, EXCLUSIONS, FUNCTIONS  
10 OF CONTRACTING AUTHORITIES, QUALIFIED BUSINESSES, REPORTS,  
11 CALCULATION OF BASELINE, TRANSFERS, RESTRICTIONS, TRANSFER OF  
12 PROPERTY, DURATION, REVIEW, PENALTIES AND GUIDELINES;  
13 providing for a hotel room rental tax in certain third class  
14 counties; ~~further providing for investment authority funds;~~ <--  
15 providing for authorization of a hotel tax in certain  
16 counties of the fourth class, for second class township hotel  
17 room rental tax and for local option cigarette tax in school  
18 districts of the first class and for local sales tax revenues  
19 in cities of the first class; ~~and~~ making an editorial change; <--  
20 AND MAKING RELATED REPEALS.

21 The General Assembly of the Commonwealth of Pennsylvania  
22 hereby enacts as follows:

23 Section 1. Title 53 of the Pennsylvania Consolidated  
24 Statutes is amended by adding a section to read:

25 § 303. Appeal of decision by school reform commission.

26 Notwithstanding the provisions of section 696(i) of the act  
27 of March 10, 1949 (P.L.30, No.14), known as the Public School

1 Code of 1949, or any other provision of law to the contrary, the  
2 following shall apply:

3 (1) A charter school applicant may appeal a decision of  
4 a school reform commission to deny an application to  
5 establish a charter school in a school district of the first  
6 class to the charter school appeal board established under  
7 section 1721-A of the Public School Code of 1949.

8 (2) Section 1717-A(a), (c), (d), (e), (f), (g), (h) and  
9 (i) of the Public School Code of 1949 shall apply to an  
10 application to establish a charter school in a school  
11 district of the first class.

12 (3) A school reform commission shall be considered a  
13 board of school directors or a local board of school  
14 directors as such terms are used in section 1717-A of the  
15 Public School Code of 1949.

16 Section 1.1. Section 735.1(a), (c), (d)(3), (e)(3), (g)(1)  
17 and (1)(6) and (7) of Title 53 are amended and subsection (1) is  
18 amended by adding a paragraph to read:

19 § 735.1. Initiative of electors seeking consolidation or merger  
20 with new home rule charter.

21 (a) General rule.--In order for a commission and  
22 consolidation or merger proceedings to be initiated by petition  
23 of electors, petitions containing signatures of at least 5% of  
24 the number of electors voting for the office of Governor in the  
25 last gubernatorial general election in each municipality  
26 proposed to be consolidated or merged shall be filed with the  
27 county board of elections of the county in which the  
28 municipality, or the greater portion of its territory, is  
29 located. The petition shall set forth:

30 (1) The name of the municipality from which the signers

1 of the petition were obtained.

2 (2) The names of the municipalities proposed to be  
3 consolidated or merged.

4 (3) An estimated cost of the study commission.

5 (4) The number of persons to compose the commission.

6 (5) The petition question which shall read as follows:

7 Shall a Government Study Commission of (seven, nine  
8 or eleven) members be elected to study the issue of  
9 consolidation or merger of (municipalities to be  
10 consolidated or merged); to provide a recommendation  
11 on consolidation or merger; to consider the  
12 advisability of the adoption of a new home rule  
13 charter; and to draft a new home rule charter, if  
14 recommended in the report of the commission?

15 (6) The petition shall also include the following  
16 statement:

17 Only municipalities voting in the affirmative on the  
18 question will be held responsible for the costs of  
19 the study commission.

20 \* \* \*

21 [(c) Contents.--A petition shall set forth:

22 (1) The name of the municipality from which the signers  
23 of the petition were obtained.

24 (2) The names of the municipalities proposed to be  
25 consolidated or merged.

26 (3) The number of persons to compose the commission.

27 (4) The petition question which shall read as follows:

28 Shall a Government Study Commission of (seven, nine  
29 or eleven) members be elected to study the issue of  
30 consolidation or merger of (municipalities to be

1 consolidated or merged); to provide a recommendation  
2 on consolidation or merger; to consider the  
3 advisability of the adoption of a new home rule  
4 charter; and to draft a new home rule charter, if  
5 recommended in the report of the commission?]

6 (d) Filing of petition and duty of election board.--

7 \* \* \*

8 (3) At the next general, municipal or primary election  
9 occurring not less than the 13th Tuesday after the filing of  
10 the petition with the county board of elections, it shall  
11 cause the appropriate question and statement listed under  
12 subsection (a) (5) and (6) to be submitted to the electors of  
13 each of the municipalities proposed to be consolidated or  
14 merged in the same manner as other questions are submitted  
15 under the act of June 3, 1937 (P.L.1333, No.320), known as  
16 the Pennsylvania Election Code.

17 (e) Election of members of commission.--

18 \* \* \*

19 (3) Each elector shall be instructed to vote on the  
20 question and, regardless of the manner of his vote on the  
21 question, to vote for the designated number of members of the  
22 commission who shall serve if the question is or has been  
23 determined in the affirmative by the majority of the whole of  
24 those voting in all the municipalities impacted by the  
25 consolidation or merger.

26 \* \* \*

27 (g) Results of election.--

28 (1) The result of the votes cast for and against the  
29 question as to the election of a commission and consolidation  
30 and merger proceedings shall be returned by the election

1 officers, and a canvass of the election had, as is provided  
2 by law in the case of other public questions put to the  
3 electors. The votes cast for members of the commission shall  
4 be counted and the result returned by the county board of  
5 electors of the county in which the municipality, or the  
6 greater portion of its territory, is located, and a canvass  
7 of the election had, as is provided by law in the case of  
8 election of members of municipal councils or boards. If a  
9 majority of the whole in the municipalities proposed to be  
10 consolidated or merged vote in the affirmative on the  
11 question, then the commission shall be formed to study the  
12 issue of consolidation or merger and to make recommendations  
13 as set forth in the question. The designated number of  
14 candidates receiving the greatest number of votes shall be  
15 elected and shall constitute the commission. If a majority of  
16 [those] the whole in the municipalities voting on the  
17 question vote against the election of the commission, none of  
18 the candidates shall be elected. If two or more candidates  
19 for the last seat shall be equal in number of votes, they  
20 shall draw lots to determine which one shall be elected.

21 \* \* \*

22 (1) Compensation, personnel and commission budget.--

23 \* \* \*

24 (6) No later than 15 days after the submission of a  
25 budget in accordance with paragraphs (4) or (5), a joint  
26 public hearing of the commission and the governing bodies of  
27 the municipalities shall be held. The governing bodies of the  
28 municipalities to be consolidated or merged may, by  
29 agreement, modify any budget submitted by the commission. A  
30 governing body of a municipality to be consolidated or merged

1 may approve appropriations to the commission in conformity  
2 with its share of the modified budget as determined in  
3 accordance with paragraph (7) or (7.1). Any unreasonable  
4 modification of the budget may be subject to an action as  
5 provided in paragraph (8) in the court of common pleas of any  
6 county wherein a municipality to be consolidated or merged  
7 lies.

8 (7) [The] If a majority in each of the municipalities to  
9 be consolidated or merged vote in favor of establishing a  
10 commission, the municipalities [to be consolidated or merged]  
11 may, by agreement, determine the share that each municipality  
12 shall appropriate to fund the estimated budget of the  
13 commission. If no agreement as to the respective amount that  
14 each municipality shall appropriate is reached, each  
15 municipality shall appropriate funds equal to its pro rata  
16 share of the total estimated budget of the commission based  
17 upon its share of population to the total population of the  
18 municipalities to be consolidated or merged.

19 (7.1) When a commission is formed to study consolidation  
20 or merger by a vote of the whole in the municipalities  
21 considering the question, the municipalities that vote in the  
22 affirmative shall be responsible for funding the budget of  
23 the commission. Any municipalities that vote in the negative  
24 on the question shall not be responsible for the budget costs  
25 of the commission.

26 \* \* \*

27 Section 2. Section 5611(d) of Title 53 is amended by adding  
28 a paragraph to read:

29 § 5611. Investment of authority funds.

30 \* \* \*

1 (d) Types.--Authorized types of investments for authority  
2 funds shall be:

3 \* \* \*

4 (7) Commercial paper rated in the highest rating  
5 category, without reference to a subcategory, by a rating  
6 agency. This paragraph shall only apply to an airport  
7 authority board in a county of the second class.

8 \* \* \*

9 SECTION 2.1. TITLE 53 IS AMENDED BY ADDING A CHAPTER TO  
10 READ:

11 CHAPTER 58

12 CITY REVITALIZATION AND IMPROVEMENT ZONES

13 SEC.

14 5801. SCOPE.

15 5802. DEFINITIONS.

16 5803. ESTABLISHMENT OF CONTRACTING AUTHORITY.

17 5804. CONTRACTING AUTHORITY DUTIES.

18 5805. APPROVAL.

19 5806. EXCLUSIONS.

20 5807. FUNCTIONS OF CONTRACTING AUTHORITIES.

21 5808. QUALIFIED BUSINESSES.

22 5809. FUNDS.

23 5810. REPORTS.

24 5811. CALCULATION OF BASELINE.

25 5812. CERTIFICATION.

26 5813. TRANSFERS.

27 5814. RESTRICTIONS.

28 5815. TRANSFER OF PROPERTY.

29 5816. DURATION.

30 5817. COMMONWEALTH PLEDGES.

<--

1 5818. REVIEW.  
2 5819. CONFIDENTIALITY.  
3 5820. PENALTIES.  
4 5821. GUIDELINES.  
5 § 5801. SCOPE.

6 THIS CHAPTER RELATES TO CITY REVITALIZATION AND IMPROVEMENT  
7 ZONES.

8 § 5802. DEFINITIONS.

9 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
10 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
11 CONTEXT CLEARLY INDICATES OTHERWISE:

12 "BASELINE YEAR." THE CALENDAR YEAR IN WHICH A ZONE WAS  
13 ESTABLISHED.

14 "BOND." THE TERM INCLUDES ANY NOTE, INSTRUMENT, REFUNDING  
15 NOTE OR OTHER EVIDENCE OF INDEBTEDNESS OR OBLIGATION APPROVED BY  
16 THE DEPARTMENT.

17 "CITY." A CITY OF THE THIRD CLASS WITH A POPULATION OF AT  
18 LEAST 30,000 BASED ON THE MOST RECENT FEDERAL DECENNIAL CENSUS.  
19 THE TERM SHALL NOT INCLUDE A CITY THAT HAS HAD A RECEIVER  
20 APPOINTED UNDER CHAPTER 7 OF THE ACT OF JULY 10, 1987 (P.L.246,  
21 NO.47), KNOWN AS THE MUNICIPALITIES FINANCIAL RECOVERY ACT.

22 "CITY REVITALIZATION AND IMPROVEMENT ZONE." AN AREA OF NOT  
23 MORE THAN 130 ACRES, COMPRISED OF PARCELS DESIGNATED BY THE  
24 CONTRACTING AUTHORITY, WHICH WILL PROVIDE ECONOMIC DEVELOPMENT  
25 AND JOB CREATION WITHIN A CITY.

26 "CONTRACTING AUTHORITY." A NEW OR EXISTING AUTHORITY  
27 ESTABLISHED BY A CITY, HOME RULE COUNTY OR MUNICIPALITY TO  
28 DESIGNATE ZONES OR PILOT ZONES, ISSUE BONDS AND ENGAGE IN THE  
29 FINANCING, CONSTRUCTION, RELATED SITE PREPARATION AND  
30 INFRASTRUCTURE, RECONSTRUCTION OR RENOVATION OF FACILITIES IN



1 ACCORDANCE WITH THIS CHAPTER. THE TERM SHALL INCLUDE:

2 (1) AN AUTHORITY ESTABLISHED UNDER CHAPTER 56 (RELATING  
3 TO MUNICIPAL AUTHORITIES) OR OTHER COMMONWEALTH STATUTE.

4 (2) AN AUTHORITY ESTABLISHED UNDER THE FORMER ACT OF  
5 DECEMBER 27, 1994 (P.L.1375, NO.162), KNOWN AS THE THIRD  
6 CLASS COUNTY CONVENTION CENTER AUTHORITY ACT, OR ARTICLE  
7 XXIII OF THE ACT OF AUGUST 9, 1955 (P.L.323, NO.130), KNOWN  
8 AS THE COUNTY CODE.

9 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

10 "DISTRESSED CITY." A CITY THAT IS A DISTRESSED CITY UNDER  
11 THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE  
12 MUNICIPALITIES FINANCIAL RECOVERY ACT, AND IS LOCATED IN A HOME  
13 RULE COUNTY.

14 "EARNED INCOME TAX." A TAX IMPOSED ON EARNED INCOME WITHIN A  
15 ZONE UNDER THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511),  
16 KNOWN AS THE LOCAL TAX ENABLING ACT, WHICH A CITY, OR A SCHOOL  
17 DISTRICT CONTAINED ENTIRELY WITHIN THE BOUNDARIES OF OR  
18 COTERMINOUS WITH THE CITY, IS ENTITLED TO RECEIVE.

19 "ELIGIBLE TAX." ANY OF THE FOLLOWING TAXES:

20 (1) CORPORATE NET INCOME TAX, CAPITAL STOCK AND  
21 FRANCHISE TAX, BANK SHARES TAX OR BUSINESS PRIVILEGE TAX,  
22 CALCULATED AND APPORTIONED AS TO AMOUNT ATTRIBUTABLE TO THE  
23 LOCATION WITHIN A ZONE AND CALCULATED UNDER SECTION 1904-B(B)  
24 AND (C) OF THE TAX REFORM CODE.

25 (2) AMUSEMENT TAX, ONLY TO THE EXTENT THE TAX IS RELATED  
26 TO THE ACTIVITY OF A QUALIFIED BUSINESS WITHIN A ZONE.

27 (3) SALES AND USE TAX, ONLY TO THE EXTENT THE TAX IS  
28 RELATED TO THE ACTIVITY OF A QUALIFIED BUSINESS WITHIN A  
29 ZONE.

30 (4) PERSONAL INCOME TAX WITHHELD FROM ITS EMPLOYEES BY A

1 QUALIFIED BUSINESS FOR WORK PERFORMED IN A ZONE.

2 (5) LOCAL SERVICES TAX WITHHELD FROM ITS EMPLOYEES BY A  
3 QUALIFIED BUSINESS FOR WORK PERFORMED IN A ZONE.

4 (6) EARNED INCOME TAX WITHHELD FROM ITS EMPLOYEES BY A  
5 QUALIFIED BUSINESS FOR WORK PERFORMED IN A ZONE.

6 (7) TAX PAID TO THE COMMONWEALTH ON THE SALE OF LIQUOR,  
7 WINE OR MALT OR BREWED BEVERAGES IN A ZONE.

8 THE TERM DOES NOT INCLUDE CIGARETTE TAX.

9 "FACILITY." A STRUCTURE OR COMPLEX OF STRUCTURES TO BE USED  
10 FOR COMMERCIAL, SPORTS, EXHIBITION, HOSPITALITY, CONFERENCE,  
11 RETAIL, COMMUNITY, OFFICE, RECREATIONAL OR MIXED-USE PURPOSES.

12 "OFFICE." THE OFFICE OF THE BUDGET.

13 "PILOT ZONE." AN AREA OF NOT MORE THAN 130 ACRES DESIGNATED  
14 BY THE AUTHORITY FOLLOWING APPLICATION AND APPROVAL BY THE  
15 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, THE OFFICE AND  
16 THE DEPARTMENT WHICH WILL PROVIDE ECONOMIC DEVELOPMENT AND JOB  
17 CREATION WITHIN A TOWNSHIP OR BOROUGH, WITH A POPULATION OF AT  
18 LEAST 7,000 BASED ON THE MOST RECENT FEDERAL DECENNIAL CENSUS.

19 "QUALIFIED BUSINESS." AS FOLLOWS:

20 (1) AN ENTITY LOCATED OR PARTIALLY LOCATED IN A ZONE  
21 WHICH MEETS THE REQUIREMENTS OF ALL OF THE FOLLOWING:

22 (I) HAS CONDUCTED AN ACTIVE TRADE OR BUSINESS IN THE  
23 ZONE.

24 (II) APPEARS ON THE TIMELY FILED LIST UNDER SECTION  
25 5808(A) (RELATING TO QUALIFIED BUSINESSES).

26 (2) A CONSTRUCTION CONTRACTOR ENGAGED IN CONSTRUCTION,  
27 INCLUDING INFRASTRUCTURE OR SITE PREPARATION, RECONSTRUCTION  
28 OR RENOVATION OF A FACILITY LOCATED IN OR PARTIALLY IN THE  
29 ZONE.

30 (3) THE TERM DOES NOT INCLUDE AN AGENT, BROKER OR

1 REPRESENTATIVE OF A BUSINESS.  
2 "TAX REFORM CODE." THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),  
3 KNOWN AS THE TAX REFORM CODE OF 1971.

4 "ZONE." ANY OF THE FOLLOWING:

5 (1) A CITY REVITALIZATION AND IMPROVEMENT ZONE.

6 (2) A PILOT ZONE.

7 "ZONE FUND." A CITY REVITALIZATION AND IMPROVEMENT ZONE FUND  
8 ESTABLISHED UNDER SECTION 5809 (RELATING TO FUNDS).

9 § 5803. ESTABLISHMENT OF CONTRACTING AUTHORITY.

10 (A) CITIES.--EXCEPT AS SET FORTH IN SUBSECTION (B), A CITY  
11 MAY ESTABLISH OR DESIGNATE A CONTRACTING AUTHORITY TO DESIGNATE  
12 AND ADMINISTER A ZONE UNDER THIS CHAPTER.

13 (B) DISTRESSED CITIES.--A DISTRESSED CITY THAT IS LOCATED IN  
14 A HOME RULE COUNTY MAY NOT ESTABLISH A CONTRACTING AUTHORITY  
15 UNDER THIS CHAPTER.

16 (C) COUNTIES.--A HOME RULE COUNTY OF THE SECOND CLASS A  
17 WHERE A DISTRESSED CITY IS LOCATED MAY ESTABLISH A CONTRACTING  
18 AUTHORITY TO DESIGNATE A ZONE UNDER THIS CHAPTER WITHIN THE  
19 DISTRESSED CITY. THE ZONE MAY INCLUDE UP TO 40 ACRES IN A  
20 CONTIGUOUS MUNICIPALITY AS PART OF THE 130-ACRE TOTAL IF THE 40  
21 ACRES IS OR WILL BE THE SITE OF A NEW FACILITY THAT WILL CREATE  
22 NEW JOBS.

23 (D) OTHER MUNICIPALITIES.--A BOROUGH OR TOWNSHIP MAY  
24 ESTABLISH OR DESIGNATE A CONTRACTING AUTHORITY TO DESIGNATE AND  
25 ADMINISTER A PILOT ZONE WITHIN THE BOROUGH OR TOWNSHIP OR  
26 COMBINATION OF BOROUGH AND TOWNSHIPS.

27 § 5804. CONTRACTING AUTHORITY DUTIES.

28 A CONTRACTING AUTHORITY SHALL:

29 (1) HOLD AT LEAST ONE PUBLIC HEARING ON THE PLAN FOR THE  
30 DESIGNATION OF A CITY REVITALIZATION AND IMPROVEMENT ZONE.

1           (2) PRIOR TO DESIGNATION OF THE ZONE, PUBLISH THE NAME  
2 AND A MAP OF EACH BUSINESS AND PROPERTY OWNER TO BE LOCATED  
3 WITHIN THE ZONE. THE MAP AND LIST OF NAMES SHALL BE POSTED ON  
4 THE INTERNET WEBSITE OF THE MUNICIPALITY WHERE THE ZONE WILL  
5 BE LOCATED, IF ONE EXISTS, AND SHALL BE MADE AVAILABLE FOR  
6 PUBLIC INSPECTION.

7 § 5805. APPROVAL.

8           (A) SUBMISSION.--A CONTRACTING AUTHORITY MAY APPLY TO THE  
9 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT FOR APPROVAL OF  
10 A ZONE PLAN. THE APPLICATION MUST INCLUDE ALL OF THE FOLLOWING:

11           (1) A PLAN TO ESTABLISH ONE OR MORE FACILITIES WHICH  
12 WILL PROMOTE ECONOMIC DEVELOPMENT.

13           (2) AN ECONOMIC DEVELOPMENT PLAN, INCLUDING A PLAN FOR  
14 THE REPAYMENT OF ALL BONDS.

15           (3) SPECIFIC INFORMATION RELATING TO THE FACILITY WHICH  
16 WILL BE CONSTRUCTED, INCLUDING INFRASTRUCTURE AND SITE  
17 PREPARATION RECONSTRUCTED OR RENOVATED AS PART OF THE PLAN.

18           (4) A DESIGNATION OF THE SPECIFIC GEOGRAPHIC AREA,  
19 INCLUDING PARCEL NUMBERS AND A MAP OF A ZONE WITH PARCEL  
20 NUMBERS, OF WHICH THE ZONE WILL CONSIST.

21           (5) OTHER INFORMATION AS REQUIRED BY THE DEPARTMENT OF  
22 COMMUNITY AND ECONOMIC DEVELOPMENT, THE OFFICE OR THE  
23 DEPARTMENT.

24           (B) AGENCIES.--THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
25 DEVELOPMENT, THE OFFICE AND THE DEPARTMENT MUST ALL APPROVE AN  
26 APPLICATION.

27           (C) REVIEW.--THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
28 DEVELOPMENT SHALL CONSIDER THE FOLLOWING WHEN DETERMINING A  
29 DESIGNATION:

30           (1) ECONOMIC IMPACT OF THE ZONE.

1           (2) NUMBER OF JOBS THAT WILL BE CREATED.

2           (3) POTENTIAL STATE AND LOCAL TAX REVENUE IMPACT.

3           (4) FINANCIAL FITNESS AND ABILITY OF THE APPLICANT TO  
4           REPAY BONDS.

5           (D) APPROVAL SCHEDULE.--THE DEPARTMENT OF COMMUNITY AND  
6           ECONOMIC DEVELOPMENT SHALL DEVELOP A SCHEDULE FOR THE APPROVAL  
7           OF APPLICATIONS UNDER THIS SECTION AS FOLLOWS:

8           (1) IN ADDITION TO A ZONE APPROVED UNDER SECTION 1801-  
9           C(C) (1) OF THE TAX REFORM CODE, AFTER JUNE 30, 2014, AND  
10           BEFORE JANUARY 1, 2016, APPLICATIONS FOR FOUR ADDITIONAL CITY  
11           REVITALIZATION AND IMPROVEMENT ZONES AND UP TO THREE PILOT  
12           ZONES MAY BE APPROVED. A PILOT ZONE MAY BE ESTABLISHED BY  
13           APPROVAL OF A JOINT APPLICATION FOR A ZONE COMPRISED OF UP TO  
14           THREE CONTIGUOUS BOROUGH OR TOWNSHIPS OR COMBINATIONS OF  
15           THREE BOROUGH AND TOWNSHIPS.

16           (2) NO ADDITIONAL ZONES MAY BE APPROVED AFTER DECEMBER  
17           30, 2015.

18           (E) TIME.--THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
19           DEVELOPMENT SHALL ESTABLISH APPLICATION DEADLINES.

20           (F) REAPPLICATION.--IF AN APPLICATION IS NOT APPROVED UNDER  
21           THIS SECTION, THE APPLICANT MAY REVISE AND RESUBMIT THE  
22           APPLICATION AND PLAN FOR APPROVAL.

23           (G) LIMITATION.--NO MORE THAN ONE ZONE MAY BE APPROVED IN A  
24           COUNTY.

25           § 5806. EXCLUSIONS.

26           (A) OTHER ZONE.--THE COUNTY, CITY, TOWNSHIP OR BOROUGH MUST  
27           APPLY FOR DECERTIFICATION OF A KEYSTONE OPPORTUNITY ZONE,  
28           KEYSTONE OPPORTUNITY EXPANSION ZONE, KEYSTONE OPPORTUNITY  
29           IMPROVEMENT ZONE, KEYSTONE INNOVATION ZONE, KEYSTONE SPECIAL  
30           DEVELOPMENT ZONE, NEIGHBORHOOD IMPROVEMENT ZONE OR STRATEGIC

1 DEVELOPMENT AREA LOCATED WITHIN A ZONE WITHIN 60 DAYS OF  
2 APPROVAL OF THE ZONE.

3 (B) REDEVELOPMENT ASSISTANCE CAPITAL PROJECT.--A ZONE MAY  
4 INCLUDE A REDEVELOPMENT ASSISTANCE CAPITAL PROJECT APPROVED AND  
5 RELEASED UNDER THE ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN  
6 AS THE CAPITAL FACILITIES DEBT ENABLING ACT, PRIOR TO THE  
7 ESTABLISHMENT OF THE ZONE.

8 (C) PARCEL.--A PARCEL OF PROPERTY MAY NOT BE DIVIDED WITH  
9 PART OF THE PARCEL INSIDE OF THE ZONE AND PART OF THE PARCEL  
10 OUTSIDE OF THE ZONE.

11 § 5807. FUNCTIONS OF CONTRACTING AUTHORITIES.

12 (A) POWERS.--A CONTRACTING AUTHORITY MAY DO ALL OF THE  
13 FOLLOWING:

14 (1) DESIGNATE A ZONE WHERE A FACILITY MAY BE  
15 CONSTRUCTED, INCLUDING INFRASTRUCTURE AND SITE PREPARATION,  
16 RECONSTRUCTED OR RENOVATED.

17 (2) PROVIDE OR BORROW MONEY FOR ANY OF THE FOLLOWING  
18 PURPOSES:

19 (I) DEVELOPMENT OR IMPROVEMENT WITHIN A ZONE.

20 (II) CONSTRUCTION, INCLUDING INFRASTRUCTURE AND SITE  
21 PREPARATION, RECONSTRUCTION OR RENOVATION OF A FACILITY  
22 WITHIN A ZONE WHICH WILL RESULT IN ECONOMIC DEVELOPMENT  
23 IN ACCORDANCE WITH THE CONTRACTING AUTHORITY'S PLAN.

24 (B) RESTRICTIONS.--

25 (1) A MEMBER, OFFICER OR EMPLOYEE OF THE CONTRACTING  
26 AUTHORITY MAY NOT:

27 (I) RECEIVE MONEY DIRECTLY OR INDIRECTLY FROM THE  
28 ZONE FUND.

29 (II) HAVE A DIRECT OR INDIRECT INTEREST IN A  
30 PROPERTY OR PARCEL INCLUDED IN THE ZONE.

1           (2) A MEMBER, OFFICER, DIRECTOR, EMPLOYEE, CONSULTANT,  
2 LOBBYIST OR INDEPENDENT CONTRACTOR OF THE CONTRACTING  
3 AUTHORITY MAY NOT:

4           (I) SOLICIT, ACCEPT OR RECEIVE FROM A PERSON, FIRM,  
5 CORPORATION OR OTHER BUSINESS OR PROFESSIONAL  
6 ORGANIZATION DOING BUSINESS IN THE ZONE A GIFT, LOAN,  
7 GRATUITY, FAVOR OR SERVICE. THIS SUBPARAGRAPH SHALL NOT  
8 APPLY TO A GIFT OR BUSINESS ENTERTAINMENT OF LESS THAN  
9 \$200.

10           (II) DIRECTLY OR INDIRECTLY USE FOR PERSONAL GAIN  
11 INFORMATION NOT AVAILABLE TO THE PUBLIC CONCERNING THE  
12 DEVELOPMENT OF A PROJECT WHICH COMES TO THAT INDIVIDUAL  
13 AS A RESULT OF THE AFFILIATION WITH THE CONTRACTING  
14 AUTHORITY OR MUNICIPALITY INVOLVED IN THE DEVELOPMENT OR  
15 OPERATION OF THE ZONE.

16           (III) PROVIDE INFORMATION TO OTHERS NOT DIRECTLY  
17 CONNECTED WITH THE CONTRACTING AUTHORITY OR MUNICIPALITY  
18 IN WHICH THE ZONE IS LOCATED CONCERNING THE DEVELOPMENT  
19 OF A PROPERTY OR PROJECT IN THE ZONE.

20           (3) A CONSULTANT OR LOBBYIST MAY NOT OFFER OR PROVIDE A  
21 GIFT TO A MEMBER, OFFICER, DIRECTOR OR EMPLOYEE OF THE  
22 CONTRACTING AUTHORITY.

23           (C) DISCLOSURE.--A CONSULTANT, LOBBYIST OR INDEPENDENT  
24 CONTRACTOR OF THE CONTRACTING AUTHORITY OR MUNICIPALITY CREATING  
25 THE AUTHORITY SHALL DISCLOSE THE NATURE AND EXTENT OF AN  
26 INTEREST IN PROPERTY WITHIN THE ZONE TO THE AUTHORITY AND THE  
27 MUNICIPALITY WHERE THE ZONE IS LOCATED. THE DISCLOSURE SHALL  
28 INCLUDE:

29           (1) A FINANCIAL INTEREST IN THE PROPERTY OR PROJECT IN  
30 THE ZONE.

1           (2) AN INTEREST OF A SPOUSE, SIBLING, MINOR CHILD OR  
2           UNEMANCIPATED CHILD IN A PROPERTY OR PROJECT IN THE ZONE.

3           (3) AN EMPLOYER-EMPLOYEE, PARTNERSHIP, CORPORATE OR  
4           FIDUCIARY RELATIONSHIP WITH A PERSON FINANCIALLY INTERESTED  
5           IN A PROPERTY OR PROJECT IN THE ZONE.

6           (4) A MATTER THAT MIGHT REASONABLY BE EXPECTED TO  
7           INFLUENCE THE PERSON IN THE DISCHARGE OF THE PERSON'S  
8           OFFICIAL DUTIES CONCERNING A PROPERTY OR PROJECT IN THE ZONE  
9           OR THE OPERATION OR MANAGEMENT OF THE ZONE.

10          (D) ACTION BY AUTHORITY.--THE BOARD OF DIRECTORS OF THE  
11          CONTRACTING AUTHORITY OR THE GOVERNING BODY OF A MUNICIPALITY IN  
12          WHICH THE ZONE IS LOCATED SHALL TAKE ACTION AS NECESSARY TO  
13          AVOID A CONFLICT OF INTEREST OR IMPROPRIETY WITH REGARD TO A  
14          PROPERTY OR PROJECT IN THE ZONE OR THE OPERATION OR MANAGEMENT  
15          OF THE ZONE BASED ON THE DISCLOSURE OF INFORMATION UNDER  
16          SUBSECTION (C). EACH DISCLOSURE STATEMENT SHALL BE MADE  
17          AVAILABLE TO THE MEMBERS OF THE CONTRACTING AUTHORITY OF THE  
18          GOVERNING BODY OF THE MUNICIPALITY WHERE THE ZONE IS LOCATED AND  
19          SHALL BE MADE A PART OF THE MINUTES OF THE AUTHORITY OR  
20          MUNICIPALITY AT A REGULAR OR SPECIAL MEETING.

21          (E) COPY.--THE CONTRACTING AUTHORITY SHALL PROVIDE A COPY OF  
22          THIS SECTION TO EACH MEMBER, OFFICER, DIRECTOR, EMPLOYEE,  
23          CONSULTANT, LOBBYIST AND INDEPENDENT CONTRACTOR OF THE  
24          CONTRACTING AUTHORITY OR GOVERNING BODY OF THE MUNICIPALITY IN  
25          WHICH THE ZONE IS LOCATED AND TO EACH PROPOSED BENEFICIAL OWNER  
26          AND OCCUPANT OF PROPERTY IN THE ZONE.

27          (F) DISCIPLINARY ACTION.--FAILURE TO DISCLOSE OR ANY OTHER  
28          BREACH OF THIS SECTION SHALL RESULT IN DISCIPLINARY ACTION BY  
29          THE CONTRACTING AUTHORITY OR MUNICIPALITY AGAINST THE MEMBER,  
30          OFFICER, DIRECTOR, EMPLOYEE, CONSULTANT, LOBBYIST OR INDEPENDENT



1 CONTRACTOR WHICH SHALL INCLUDE SUSPENSION, REMOVAL OR DISMISSAL.  
2 A VIOLATION SHALL ALSO BE GROUNDS FOR DISAPPROVAL OF AN  
3 APPLICATION OR RESCISSION OF A COMMITMENT TO INCLUDE PROPERTY IN  
4 A ZONE.

5 (G) REPRESENTATION.--

6 (1) THE CONTRACTING AUTHORITY AND THE BENEFICIAL OWNER  
7 OR OCCUPANT OF A PROPERTY IN THE ZONE MAY NOT BE REPRESENTED  
8 BY THE SAME ATTORNEY OR LAW FIRM IN MATTERS RELATING TO THE  
9 AUTHORITY'S LOANS. THE SAME ATTORNEY OR LAW FIRM MAY NOT  
10 REPRESENT BOTH THE CONTRACTING AUTHORITY AND BENEFICIAL OWNER  
11 OR OCCUPANT WITHOUT THE CONSENT OF THE CONTRACTING AUTHORITY.

12 (2) AN ATTORNEY, LOBBYIST OR OTHER CONSULTANT MAY NOT  
13 REPRESENT A CITY, AUTHORITY, HOME RULE COUNTY, TOWNSHIP OR  
14 BOROUGH IN A MATTER RELATING TO THE ZONE ON A CONTINGENCY FEE  
15 BASIS.

16 (H) ETHICS.--A MEMBER OF THE CONTRACTING AUTHORITY MUST MEET  
17 THE REQUIREMENTS OF 65 PA.C.S. CH. 11 (RELATING TO ETHICS  
18 STANDARDS AND FINANCIAL DISCLOSURE).

19 § 5808. QUALIFIED BUSINESSES.

20 (A) LIST.--BY JUNE 1 FOLLOWING THE END OF THE BASELINE YEAR  
21 AND FOR EVERY YEAR THEREAFTER, EACH CONTRACTING AUTHORITY SHALL  
22 FILE WITH THE DEPARTMENT A COMPLETE LIST OF ALL BUSINESSES  
23 LOCATED IN A ZONE AND ALL CONSTRUCTION CONTRACTORS ENGAGED IN  
24 CONSTRUCTION, RECONSTRUCTION OR RENOVATION OF A FACILITY IN THE  
25 ZONE IN THE PRIOR CALENDAR YEAR. THE LIST SHALL INCLUDE FOR EACH  
26 BUSINESS THE ADDRESS, STATE TAX IDENTIFICATION NUMBER AND PARCEL  
27 NUMBER AND A MAP OF THE ZONE WITH PARCEL NUMBERS.

28 (B) TIME.--IF THE LIST UNDER SUBSECTION (A) IS NOT TIMELY  
29 PROVIDED TO THE DEPARTMENT, NO ELIGIBLE STATE TAX SHALL BE  
30 CERTIFIED BY THE DEPARTMENT FOR THE PRIOR CALENDAR YEAR.

1 (C) AUDIT.--THE CONTRACTING AUTHORITY SHALL HIRE AN  
2 INDEPENDENT AUDITING FIRM TO PERFORM AN ANNUAL AUDIT VERIFYING  
3 ALL OF THE FOLLOWING:

4 (1) THE CORRECT AMOUNT OF THE ELIGIBLE LOCAL TAX WAS  
5 SUBMITTED TO THE LOCAL TAXING AUTHORITIES.

6 (2) THE LOCAL TAXING AUTHORITIES TRANSFERRED THE CORRECT  
7 AMOUNT OF ELIGIBLE LOCAL TAX TO THE STATE TREASURER.

8 (3) THE MONEY TRANSFERRED TO THE ZONE FUND WERE EXPENDED  
9 IN ACCORDANCE WITH THIS CHAPTER AND THE APPROVED ZONE PLAN.

10 (4) THE CORRECT AMOUNT WAS REQUESTED UNDER SECTION  
11 5813(C) (RELATING TO TRANSFERS).

12 (D) TIME OF FILING.--THE ANNUAL AUDIT REPORT UNDER  
13 SUBSECTION (C) SHALL BE FILED WITH THE DEPARTMENT OF COMMUNITY  
14 AND ECONOMIC DEVELOPMENT, THE OFFICE AND THE DEPARTMENT BY JUNE  
15 30 FOR THE PRIOR CALENDAR YEAR.

16 § 5809. FUNDS.

17 (A) NOTICE.--FOLLOWING THE DESIGNATION OF A ZONE, THE  
18 CONTRACTING AUTHORITY SHALL NOTIFY THE STATE TREASURER.

19 (B) ESTABLISHMENT.--UPON RECEIPT OF NOTICE UNDER SUBSECTION  
20 (A), THE STATE TREASURER SHALL ESTABLISH FOR EACH ZONE A SPECIAL  
21 FUND FOR RELEASE TO THE CONTRACTING AUTHORITY TO BE KNOWN AS THE  
22 CITY REVITALIZATION AND IMPROVEMENT ZONE FUND. INTEREST INCOME  
23 DERIVED FROM INVESTMENT OF MONEY IN THE ZONE FUND SHALL BE  
24 CREDITED BY THE STATE TREASURY TO THE ZONE FUND.

25 § 5810. REPORTS.

26 (A) STATE ZONE REPORT.--BY JUNE 15 FOLLOWING THE BASELINE  
27 YEAR AND EACH YEAR THEREAFTER, EACH QUALIFIED BUSINESS SHALL  
28 FILE A REPORT WITH THE DEPARTMENT IN A FORM OR MANNER REQUIRED  
29 BY THE DEPARTMENT WHICH INCLUDES ALL OF THE FOLLOWING:

30 (1) AMOUNT OF EACH ELIGIBLE TAX WHICH HAD A DUE DATE IN

1 THE PRIOR CALENDAR YEAR AND WHICH WAS PAID TO THE  
2 COMMONWEALTH BY THE QUALIFIED BUSINESS IN THE PRIOR CALENDAR  
3 YEAR.

4 (2) AMOUNT OF EACH ELIGIBLE TAX REFUND PLUS INTEREST  
5 RECEIVED BY OR CREDITED TO THE QUALIFIED BUSINESS IN THE  
6 PRIOR CALENDAR YEAR.

7 (B) LOCAL ZONE REPORT.--BY JUNE 15 FOLLOWING THE BASELINE  
8 YEAR AND FOR EACH YEAR THEREAFTER, EACH QUALIFIED BUSINESS SHALL  
9 FILE A REPORT WITH THE LOCAL TAXING AUTHORITY WHICH INCLUDES ALL  
10 OF THE FOLLOWING:

11 (1) AMOUNT OF EACH ELIGIBLE TAX WHICH HAD A DUE DATE IN  
12 THE PRIOR CALENDAR YEAR AND WHICH WAS PAID TO THE LOCAL  
13 TAXING AUTHORITY BY THE QUALIFIED BUSINESS IN THE PRIOR  
14 CALENDAR YEAR.

15 (2) AMOUNT OF EACH ELIGIBLE TAX REFUND PLUS INTEREST  
16 RECEIVED BY OR CREDITED TO THE QUALIFIED BUSINESS IN THE  
17 PRIOR CALENDAR YEAR.

18 (C) PENALTIES.--

19 (1) FAILURE TO FILE A TIMELY AND COMPLETE REPORT UNDER  
20 SUBSECTION (A) OR (B) MAY RESULT IN THE IMPOSITION OF A  
21 PENALTY OF THE LESSER OF:

22 (I) TEN PERCENT OF ALL ELIGIBLE TAX DUE THE TAXING  
23 AUTHORITY IN THE PRIOR CALENDAR YEAR; OR

24 (II) ONE THOUSAND DOLLARS.

25 (2) A PENALTY FOR A VIOLATION OF SUBSECTION (A) SHALL BE  
26 IMPOSED, ASSESSED AND COLLECTED BY THE DEPARTMENT UNDER  
27 PROCEDURES SET FORTH IN ARTICLE II OF THE TAX REFORM CODE.  
28 MONEY COLLECTED UNDER THIS PARAGRAPH SHALL BE DEPOSITED IN  
29 THE GENERAL FUND.

30 (3) A PENALTY FOR A VIOLATION OF SUBSECTION (B) SHALL BE

1 IMPOSED, ASSESSED AND COLLECTED BY THE POLITICAL SUBDIVISION  
2 UNDER PROCEDURES FOR IMPOSING PENALTIES UNDER LOCAL TAX  
3 COLLECTION LAWS.

4 (4) IF A LOCAL TAXING AUTHORITY IMPOSES THE PENALTY, THE  
5 MONEY SHALL BE TRANSFERRED TO THE STATE TREASURER FOR DEPOSIT  
6 IN THE ZONE FUND.

7 § 5811. CALCULATION OF BASELINE.

8 (A) BASELINE TAX.--BY OCTOBER 15 FOLLOWING THE END OF THE  
9 BASELINE YEAR AND FOR EACH YEAR THEREAFTER, THE DEPARTMENT SHALL  
10 VERIFY THE STATE BASELINE TAX AMOUNT WHICH CONSISTS OF THE  
11 FOLLOWING:

12 (1) FOR QUALIFIED BUSINESSES THAT FILE TIMELY STATE ZONE  
13 REPORTS UNDER SECTION 5810 (A) (RELATING TO REPORTS), THE  
14 AMOUNT OF ELIGIBLE STATE TAX PAID, LESS ELIGIBLE STATE TAX  
15 REFUNDS.

16 (2) FOR QUALIFIED BUSINESSES NOT INCLUDED UNDER  
17 PARAGRAPH (1), BUT LOCATED OR PARTIALLY LOCATED IN THE ZONE  
18 AS DETERMINED BY THE DEPARTMENT OR INCLUDED IN THE  
19 INFORMATION RECEIVED BY THE DEPARTMENT UNDER SECTION 5810 (A),  
20 THE AMOUNT OF ELIGIBLE STATE TAX PAID, LESS ELIGIBLE STATE  
21 TAX REFUNDS.

22 (B) ELIGIBLE TAXES PAID.--

23 (1) BY OCTOBER 1 FOLLOWING THE END OF THE BASELINE YEAR  
24 AND FOR EACH YEAR THEREAFTER, EACH LOCAL TAXING AUTHORITY  
25 COLLECTING AN ELIGIBLE TAX SHALL REPORT THE FOLLOWING TO THE  
26 DEPARTMENT:

27 (I) EACH QUALIFIED BUSINESS THAT FILED A TIMELY  
28 LOCAL ZONE REPORT UNDER SECTION 5810(B).

29 (II) THE AMOUNT OF ELIGIBLE TAX PAID FOR EACH  
30 ELIGIBLE CATEGORY OF LOCAL TAX BY EACH QUALIFIED

1 BUSINESS.

2 (III) THE AMOUNT OF ELIGIBLE LOCAL TAX REFUNDS BY  
3 CATEGORY OF ELIGIBLE LOCAL TAX PAID TO EACH QUALIFIED  
4 BUSINESS.

5 (2) BY OCTOBER 15 FOLLOWING THE END OF THE BASELINE YEAR  
6 AND EACH YEAR THEREAFTER, THE DEPARTMENT SHALL VERIFY THE  
7 LOCAL BASELINE TAX AMOUNT AS FOLLOWS:

8 (I) FOR QUALIFIED BUSINESSES THAT FILE REPORTS UNDER  
9 SECTION 5810(B) IN A TIMELY MANNER, THE AMOUNT OF  
10 ELIGIBLE LOCAL TAX PAID, MINUS ELIGIBLE LOCAL TAX  
11 REFUNDS.

12 (II) FOR QUALIFIED BUSINESSES THAT ARE NOT REQUIRED  
13 TO FILE A REPORT UNDER SECTION 5810(B) AND WHICH ARE  
14 LOCATED OR PARTIALLY LOCATED IN THE ZONE AS DETERMINED BY  
15 THE DEPARTMENT OR INCLUDED IN THE INFORMATION RECEIVED BY  
16 THE DEPARTMENT UNDER SECTION 5810(B), THE AMOUNT OF  
17 ELIGIBLE LOCAL TAX PAID, MINUS ELIGIBLE LOCAL TAX  
18 REFUNDS.

19 (C) MOVES AND NONINCLUSIONS.--

20 (1) THIS SUBSECTION APPLIES TO A QUALIFIED BUSINESS  
21 THAT:

22 (I) MOVES INTO A ZONE FROM WITHIN THIS COMMONWEALTH  
23 AFTER THE BASELINE YEAR, IN ACCORDANCE WITH SUBSECTION  
24 (A) (2);

25 (II) IS IN A ZONE BUT NOT INCLUDED IN THE  
26 CALCULATION OF THE STATE BASELINE TAX UNDER SUBSECTION  
27 (A); OR

28 (III) IS A NEW BUSINESS AS EVIDENCED BY ADDITIONAL  
29 EMPLOYEES, NEW SALES, NEW FURNITURE AND EQUIPMENT, NEW  
30 FIXTURES OR NEW PRODUCTS.

1           (2) AN OPERATION OPENED IN A ZONE BY A QUALIFIED  
2 BUSINESS ALREADY LOCATED IN THIS COMMONWEALTH SHALL BE  
3 PRESUMED NOT TO BE A NEW BUSINESS UNDER THIS SUBSECTION. THE  
4 PRESUMPTION MUST BE OVERCOME BY PRESENTING EVIDENCE OF  
5 ADDITIONAL EMPLOYEES, NEW SALES, NEW FURNITURE, EQUIPMENT AND  
6 FIXTURES OR NEW PRODUCTS TO THE DEPARTMENT OF COMMUNITY AND  
7 ECONOMIC DEVELOPMENT, THE OFFICE AND THE DEPARTMENT. THE  
8 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, THE OFFICE  
9 AND THE DEPARTMENT SHALL HAVE SOLE DISCRETION TO DETERMINE  
10 WHETHER AN OPERATION IS A NEW OPERATION.

11           (3) A QUALIFIED BUSINESS SUBJECT TO PARAGRAPH (1) SHALL  
12 FILE A STATE ZONE REPORT UNDER SECTION 5810 FOLLOWING THE END  
13 OF THE FIRST FULL CALENDAR YEAR IN WHICH THE QUALIFIED  
14 BUSINESS CONDUCTED BUSINESS IN THE ZONE AND EACH CALENDAR  
15 YEAR THEREAFTER. THE AMOUNT OF ELIGIBLE STATE TAX VERIFIED BY  
16 THE DEPARTMENT FOR THE QUALIFIED BUSINESS FOR THE PRIOR  
17 CALENDAR YEAR SHALL BE ADDED TO THE STATE BASELINE TAX AMOUNT  
18 FOR THE ZONE FOR THE PRIOR CALENDAR YEAR AND EACH YEAR  
19 THEREAFTER.

20           (4) THE CALCULATION UNDER THIS SECTION MAY NOT INCLUDE  
21 THE ELIGIBLE TAXES OF A QUALIFYING BUSINESS MOVING INTO THE  
22 ZONE FROM OUTSIDE THIS COMMONWEALTH.

23 § 5812. CERTIFICATION.

24           (A) AMOUNTS.--BY THE OCTOBER 15 FOLLOWING THE BASELINE YEAR  
25 AND EACH YEAR THEREAFTER, THE DEPARTMENT SHALL DO ALL OF THE  
26 FOLLOWING FOR THE PRIOR CALENDAR YEAR:

27           (1) MAKE THE FOLLOWING CALCULATION FOR QUALIFIED  
28 BUSINESSES THAT FILE STATE ZONE REPORTS UNDER SECTION 5810 (A)  
29 (RELATING TO REPORTS) SEPARATELY FOR EACH ZONE:

30           (I) SUBTRACT:

1                   (A) THE AMOUNT OF ELIGIBLE STATE TAX REFUNDS  
2                   RECEIVED; FROM  
3                   (B) THE AMOUNT OF ELIGIBLE STATE TAX PAID.  
4                   (II) SUBTRACT:  
5                   (A) THE STATE TAX BASELINE AMOUNT FOR THE ZONE;  
6                   FROM  
7                   (B) THE DIFFERENCE UNDER SUBPARAGRAPH (I).  
8                   (2) CERTIFY TO THE OFFICE THE DIFFERENCE UNDER PARAGRAPH  
9                   (1) (II).  
10                   (B) CONTENT.--  
11                   (1) THE CERTIFICATION MAY INCLUDE THE FOLLOWING:  
12                   (I) ADJUSTMENT MADE TO TIMELY FILED ZONE REPORTS BY  
13                   THE DEPARTMENT FOR ELIGIBLE STATE TAX ACTUALLY PAID BY A  
14                   QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR.  
15                   (II) ELIGIBLE STATE TAX REFUNDS PAID TO A QUALIFIED  
16                   BUSINESS IN THE ZONE IN A PRIOR CALENDAR YEAR.  
17                   (III) STATE TAX PENALTIES PAID BY A QUALIFIED  
18                   BUSINESS IN THE PRIOR YEAR UNDER SECTION 5810(C).  
19                   (2) THE CERTIFICATION SHALL NOT INCLUDE THE FOLLOWING:  
20                   (I) TAX PAID BY A QUALIFIED BUSINESS THAT DID NOT  
21                   FILE A TIMELY STATE ZONE REPORT UNDER SECTION 5810(A).  
22                   (II) TAX PAID BY A QUALIFIED BUSINESS WHOSE TAX WAS  
23                   NOT INCLUDED IN THE STATE TAX BASELINE AMOUNT CALCULATION  
24                   UNDER SECTION 5811 (RELATING TO CALCULATION OF BASELINE).  
25                   (III) TAX PAID BY A QUALIFIED BUSINESS NOT APPEARING  
26                   ON A TIMELY FILED LIST UNDER SECTION 5808(A) (RELATING TO  
27                   QUALIFIED BUSINESSES).  
28                   (IV) INTEREST OR PENALTY PAID TO A QUALIFIED  
29                   BUSINESS.  
30                   (C) SUBMISSION.--THE FOLLOWING SHALL APPLY:

1           (1) AN ENTITY COLLECTING AN ELIGIBLE LOCAL TAX WITHIN  
2 THE ZONE SHALL, BY OCTOBER 15 FOLLOWING THE BASELINE YEAR AND  
3 EACH YEAR THEREAFTER, SUBMIT THE FOLLOWING TO THE STATE  
4 TREASURER FOR TRANSFER TO THE ZONE FUND:

5           (I) THE ELIGIBLE LOCAL TAX COLLECTED IN THE PRIOR  
6 CALENDAR YEAR;

7           (II) LESS THE AMOUNT OF ELIGIBLE LOCAL TAX REFUNDS  
8 ISSUED IN THE PRIOR CALENDAR YEAR; AND

9           (III) LESS THE AMOUNT OF LOCAL BASELINE TAX FOR THE  
10 ZONE.

11           (2) THE INFORMATION UNDER THIS SUBSECTION SHALL ALSO BE  
12 CERTIFIED BY THE LOCAL TAXING AUTHORITY TO THE DEPARTMENT OF  
13 COMMUNITY AND ECONOMIC DEVELOPMENT, THE OFFICE AND THE  
14 DEPARTMENT.

15 § 5813. TRANSFERS.

16           (A) OFFICE.--WITHIN TEN DAYS OF RECEIVING THE CERTIFICATION  
17 FROM THE DEPARTMENT UNDER SECTION 5812 (RELATING TO  
18 CERTIFICATION), THE OFFICE SHALL DIRECT THE STATE TREASURER TO  
19 TRANSFER THE AMOUNT OF CERTIFIED ELIGIBLE STATE ZONE TAX FROM  
20 THE GENERAL FUND TO EACH ZONE FUND OF A CONTRACTING AUTHORITY AS  
21 FOLLOWS:

22           (1) FOR THE PAYMENT OF DEBT SERVICE, INCLUDING LEGAL  
23 FEES, FINANCING FEES AND OTHER COSTS DIRECTLY RELATED TO THE  
24 ISSUANCE OF DEBT.

25           (2) TO CONSTRUCT OR REHABILITATE BUILDINGS,  
26 INFRASTRUCTURE OR RELATED PROJECTS.

27           (B) STATE TREASURER.--WITHIN TEN DAYS OF RECEIVING DIRECTION  
28 UNDER SUBSECTION (A), THE STATE TREASURER SHALL PAY INTO THE  
29 ZONE FUND THE AMOUNT DIRECTED UNDER SUBSECTION (A) UNTIL BONDS  
30 ISSUED TO FINANCE THE CONSTRUCTION, INCLUDING RELATED



1 INFRASTRUCTURE AND SITE PREPARATION, RECONSTRUCTION OR  
2 RENOVATION OF A FACILITY OR OTHER ELIGIBLE PROJECT IN THE ZONE,  
3 ARE RETIRED.

4 (C) NOTIFICATION.--THE FOLLOWING SHALL APPLY:

5 (1) IF THE TRANSFERS UNDER SUBSECTION (A) AND SECTION  
6 5812(C) ARE INSUFFICIENT TO MAKE PAYMENTS ON THE BONDS ISSUED  
7 UNDER SECTION 5814(A) (1) (RELATING TO RESTRICTIONS) FOR THE  
8 CALENDAR YEAR WHEN THE TRANSFERS ARE MADE, THE CONTRACTING  
9 AUTHORITY SHALL NOTIFY THE DEPARTMENT OF COMMUNITY AND  
10 ECONOMIC DEVELOPMENT, THE OFFICE AND THE DEPARTMENT OF THE  
11 AMOUNT OF ADDITIONAL MONEY NECESSARY TO MAKE PAYMENTS ON THE  
12 BONDS.

13 (2) THE NOTIFICATION UNDER PARAGRAPH (1) MUST BE  
14 ACCOMPANIED BY A DETAILED ACCOUNT OF THE CONTRACTING  
15 AUTHORITY'S EXPENDITURES AND THE CALCULATION WHICH RESULTED  
16 IN THE REQUEST FOR ADDITIONAL MONEY. THE DEPARTMENT OF  
17 COMMUNITY AND ECONOMIC DEVELOPMENT, THE OFFICE OR THE  
18 DEPARTMENT MAY REQUEST ADDITIONAL INFORMATION FROM THE  
19 CONTRACTING AUTHORITY AND SHALL JOINTLY VERIFY THE PROPER  
20 AMOUNT OF MONEY NECESSARY TO MAKE THE PAYMENTS ON THE BONDS.

21 (3) NOTWITHSTANDING 53 PA.C.S. § 5607(E) (RELATING TO  
22 PURPOSES AND POWERS), WITHIN 90 DAYS OF THE DATE OF THE  
23 NOTIFICATION REQUEST, THE OFFICE SHALL DIRECT THE STATE  
24 TREASURER TO ESTABLISH A RESTRICTED ACCOUNT WITHIN THE  
25 GENERAL FUND. THE OFFICE SHALL DIRECT THE STATE TREASURER TO  
26 TRANSFER THE AMOUNT VERIFIED UNDER PARAGRAPH (2) FROM THE  
27 GENERAL FUND TO THE RESTRICTED ACCOUNT FOR THE USE OF THE  
28 CONTRACTING AUTHORITY TO MAKE PAYMENTS ON THE BONDS ISSUED  
29 UNDER SECTION 5814(A) (1).

30 (4) MONEY TRANSFERRED UNDER PARAGRAPH (3):

1           (I) SHALL BE LIMITED TO 50% OF THE STATE TAX  
2           BASELINE AMOUNT FOR THE CALENDAR YEAR PRIOR TO THE DATE  
3           THE AMOUNT IS VERIFIED UNDER PARAGRAPH (2), NOT TO EXCEED  
4           \$10,000,000; AND

5           (II) MUST OCCUR IN THE FIRST SEVEN CALENDAR YEARS  
6           FOLLOWING THE BASELINE YEAR.

7           (4.1) UNDER EXTRAORDINARY CIRCUMSTANCES, THE CONTRACTING  
8           AUTHORITY MAY REQUEST MONEY IN EXCESS OF THE LIMITATIONS IN  
9           PARAGRAPH (4) (I). THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
10           DEVELOPMENT, THE OFFICE AND THE DEPARTMENT SHALL DETERMINE  
11           WHETHER THE CIRCUMSTANCES MERIT ADDITIONAL MONEY AND THE  
12           AMOUNT TO BE TRANSFERRED. THE MONEY SHALL BE TRANSFERRED  
13           UNDER THE PROCEDURE UNDER THIS SECTION.

14           (5) MONEY TRANSFERRED UNDER PARAGRAPH (3), (4) OR (4.1)  
15           SHALL BE REPAID TO THE GENERAL FUND BY THE CONTRACTING  
16           AUTHORITY. IF MONEY TRANSFERRED UNDER PARAGRAPH (3), (4) OR  
17           (4.1) IS NOT REPAID TO THE GENERAL FUND BY THE CONTRACTING  
18           AUTHORITY BY THE DATE OF THE FINAL PAYMENT ON THE BONDS  
19           ORIGINALLY ISSUED UNDER SECTION 5814 OR FORMER SECTION 1813-  
20           C(A) (1) OF THE TAX REFORM CODE, THE CITY, COUNTY, TOWNSHIP OR  
21           BOROUGH WHICH ESTABLISHED THE CONTRACTING AUTHORITY SHALL PAY  
22           THE MONEY NOT REPAID TO THE GENERAL FUND PLUS AN ADDITIONAL  
23           PENALTY OF 10% OF THE AMOUNT OUTSTANDING ON THE DATE OF THE  
24           FINAL PAYMENT ON THE BONDS ORIGINALLY ISSUED UNDER SECTION  
25           5814 OR THE FORMER SECTION 1813-C(A) (1).

26           (6) NOTWITHSTANDING ANY OTHER LAW, IF MONEY DUE UNDER  
27           PARAGRAPH (5), INCLUDING PENALTIES, ARE NOT REPAID, THE CITY,  
28           COUNTY, TOWNSHIP OR BOROUGH WHICH ESTABLISHED THE CONTRACTING  
29           AUTHORITY MAY NOT RECEIVE ANY MONEY FROM THE COMMONWEALTH FOR  
30           ANY PURPOSE UNTIL ALL MONEY OWED IS FULLY REPAID OR THE

1 AMOUNT OF MONEY WITHHELD BY THE COMMONWEALTH EQUALS THE  
2 AMOUNT OF MONEY REQUIRED TO BE REPAYED.  
3 \$ 5814. RESTRICTIONS.

4 (A) UTILIZATION.--IF THE USE WAS APPROVED IN AN APPLICATION  
5 FILED UNDER SECTION 5805 (RELATING TO APPROVAL), MONEY  
6 TRANSFERRED UNDER SECTION 5813 (RELATING TO TRANSFERS) MAY ONLY  
7 BE UTILIZED FOR THE FOLLOWING:

8 (1) PAYMENT OF DEBT SERVICE ON BONDS ISSUED FOR THE  
9 CONSTRUCTION, INCLUDING RELATED INFRASTRUCTURE AND SITE  
10 PREPARATION, RECONSTRUCTION OR RENOVATION OF A FACILITY IN A  
11 ZONE.

12 (2) CONSTRUCTION, INCLUDING RELATED INFRASTRUCTURE AND  
13 SITE PREPARATION, RECONSTRUCTION OR RENOVATION OF ALL OR A  
14 PART OF A FACILITY.

15 (3) REPLENISHMENT OF AMOUNTS IN DEBT SERVICE RESERVE  
16 FUNDS ESTABLISHED TO PAY DEBT SERVICE ON BONDS.

17 (4) EMPLOYMENT OF AN INDEPENDENT AUDITING FIRM TO  
18 PERFORM THE DUTIES UNDER SECTION 5808(C) (RELATING TO  
19 QUALIFIED BUSINESSES).

20 (5) IMPROVEMENT OR DEVELOPMENT OF ALL OR PART OF A ZONE.

21 (6) IMPROVEMENT PROJECTS, INCLUDING FIXTURES, FURNITURE  
22 AND EQUIPMENT FOR A FACILITY OWNED BY A PUBLIC AUTHORITY.

23 (B) PROHIBITION.--MONEY TRANSFERRED UNDER SECTION 5813  
24 (RELATING TO TRANSFERS) MAY NOT BE UTILIZED FOR MAINTENANCE OR  
25 REPAIR OF A FACILITY.

26 (C) EXCESS MONEY.--

27 (1) IF THE AMOUNT OF MONEY TRANSFERRED TO THE ZONE FUND  
28 UNDER SECTIONS 5812(C) (RELATING TO CERTIFICATION) AND 5813  
29 IN ANY ONE CALENDAR YEAR EXCEEDS THE MONEY UTILIZED UNDER  
30 THIS SECTION IN THAT CALENDAR YEAR, THE CONTRACTING AUTHORITY

1 SHALL SUBMIT BY JANUARY 15 FOLLOWING THE END OF THE CALENDAR  
2 YEAR THE EXCESS MONEY TO THE STATE TREASURER FOR DEPOSIT INTO  
3 THE GENERAL FUND.

4 (2) AT THE TIME OF SUBMISSION TO THE STATE TREASURER,  
5 THE CONTRACTING AUTHORITY SHALL SUBMIT TO THE STATE  
6 TREASURER, THE OFFICE AND THE DEPARTMENT A DETAILED  
7 ACCOUNTING OF THE CALCULATION RESULTING IN THE EXCESS MONEY.

8 (3) THE EXCESS MONEY SHALL BE CREDITED TO THE  
9 CONTRACTING AUTHORITY AND APPLIED TO THE AMOUNT REQUIRED TO  
10 BE REPAID UNDER SECTION 5813(C) (5) UNTIL THERE IS FULL  
11 REPAYMENT.

12 (D) MATCHING MONEY.--

13 (1) THE AMOUNT OF MONEY TRANSFERRED FROM THE ZONE FUND  
14 UTILIZED FOR THE CONSTRUCTION, INCLUDING RELATED SITE  
15 PREPARATION AND INFRASTRUCTURE, RECONSTRUCTION OR RENOVATION  
16 OF FACILITIES, SHALL BE MATCHED BY PRIVATE MONEY AT A RATIO  
17 OF FIVE ZONE FUND DOLLARS TO ONE PRIVATE DOLLAR. UP TO 15% OF  
18 THE PRIVATE FUND DOLLARS MAY BE COMPRISED OF FEDERAL MONEY OF  
19 THE COUNTY, CITY, TOWNSHIP OR BOROUGH.

20 (2) BY JUNE 30 FOLLOWING THE BASELINE YEAR AND FOR EACH  
21 YEAR THEREAFTER, THE CONTRACTING AUTHORITY SHALL FILE AN  
22 ANNUAL REPORT WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
23 DEVELOPMENT, THE OFFICE AND THE DEPARTMENT THAT CONTAINS A  
24 DETAILED ACCOUNT OF THE ZONE FUND MONEY EXPENDITURES AND THE  
25 PRIVATE MONEY EXPENDITURES AND A CALCULATION OF THE RATIO IN  
26 PARAGRAPH (1) FOR THE PRIOR CALENDAR YEAR. THE AGENCIES SHALL  
27 DETERMINE WHETHER SUFFICIENT PRIVATE MONEY WAS UTILIZED.

28 (3) IF IT IS DETERMINED THAT INSUFFICIENT PRIVATE MONEY  
29 WAS UTILIZED UNDER PARAGRAPH (1), THE AMOUNT OF ZONE FUND  
30 MONEY UTILIZED UNDER PARAGRAPH (1) IN THE PRIOR CALENDAR YEAR

1 SHALL BE DEDUCTED FROM THE NEXT TRANSFER OF THE ZONE FUND.

2 § 5815. TRANSFER OF PROPERTY.

3 (A) PROPERTY.--PORTIONS OF A ZONE WHERE A FACILITY HAS NOT  
4 BEEN CONSTRUCTED, RECONSTRUCTED OR RENOVATED USING MONEY UNDER  
5 THIS CHAPTER MAY BE TRANSFERRED OUT OF THE ZONE. ADDITIONAL  
6 ACREAGE, NOT TO EXCEED THE ACREAGE IN A CITY, BOROUGH OR  
7 TOWNSHIP SIMULTANEOUSLY TRANSFERRED OUT OF THE ZONE, MAY BE  
8 ADDED TO THE ZONE.

9 (B) APPROVAL.--A TRANSFER UNDER SUBSECTION (A) MUST BE  
10 APPROVED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
11 IN CONSULTATION WITH THE OFFICE AND THE DEPARTMENT.

12 (C) REMOVAL.--MONEY IN THE ZONE FUND MAY NOT BE EXPENDED ON  
13 PROPERTY REMOVED FROM THE ZONE AFTER THE EFFECTIVE DATE OF THE  
14 ZONE.

15 § 5816. DURATION.

16 A ZONE SHALL BE IN EFFECT FOR A PERIOD EQUAL TO THE LENGTH OF  
17 TIME FOR THE REPAYMENT OF DEBT INCURRED FOR THE ZONE, INCLUDING  
18 BONDS ISSUED. BONDS SHALL BE PAID, AND ALL ZONES SHALL CEASE NO  
19 LATER THAN 30 YEARS FOLLOWING THE INITIAL ISSUANCE OF THE BONDS  
20 OR UPON MATURITY OF EACH BOND SECURED BY MONEY FROM THE ZONE  
21 FUND, WHICHEVER IS LATER.

22 § 5817. COMMONWEALTH PLEDGES.

23 (A) PLEDGE.--IF AND TO THE EXTENT A CONTRACTING AUTHORITY  
24 PLEDGES AMOUNTS REQUIRED TO BE TRANSFERRED TO ITS ZONE FUND  
25 UNDER SECTION 5813 (RELATING TO TRANSFERS) FOR PAYMENT OF BONDS  
26 ISSUED BY THE CONTRACTING AUTHORITY, UNTIL ALL BONDS SECURED BY  
27 THE PLEDGE OF THE CONTRACTING AUTHORITY, TOGETHER WITH INTEREST  
28 ON THE BONDS, ARE FULLY PAID OR PROVIDED FOR, THE COMMONWEALTH  
29 PLEDGES TO AND AGREES WITH ANY PERSON, FIRM, CORPORATION OR  
30 GOVERNMENT AGENCY, IN THIS COMMONWEALTH OR ELSEWHERE, AND

1 PLEDGES TO AND AGREES WITH ANY FEDERAL AGENCY SUBSCRIBING TO OR  
2 ACQUIRING THE BONDS OF THE CONTRACTING AUTHORITY THAT THE  
3 COMMONWEALTH ITSELF WILL NOT NOR WILL IT AUTHORIZE ANY  
4 GOVERNMENT ENTITY TO DO ANY OF THE FOLLOWING:

5 (1) ABOLISH OR REDUCE THE SIZE OF THE ZONE.

6 (2) AMEND OR REPEAL SECTION 5811 (RELATING TO  
7 CALCULATION OF BASELINE) OR 5812 (RELATING TO CERTIFICATION).

8 (3) LIMIT OR ALTER THE RIGHTS VESTED IN THE CONTRACTING  
9 AUTHORITY IN A MANNER INCONSISTENT WITH THE OBLIGATIONS OF  
10 THE CONTRACTING AUTHORITY WITH RESPECT TO THE BONDS ISSUED BY  
11 THE CONTRACTING AUTHORITY.

12 (4) IMPAIR REVENUE TO BE PAID UNDER THIS CHAPTER TO THE  
13 CONTRACTING AUTHORITY NECESSARY TO PAY DEBT SERVICE ON BONDS.

14 (B) LIMITATION.--NOTHING IN THIS SECTION SHALL LIMIT THE  
15 AUTHORITY OF THE COMMONWEALTH OR A POLITICAL SUBDIVISION  
16 GOVERNMENT ENTITY TO CHANGE THE RATE, BASE OR SUBJECT OF A  
17 SPECIFIC TAX OR TO REPEAL OR ENACT ANY TAX.  
18 § 5818. REVIEW.

19 (A) DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.--BY  
20 DECEMBER 31, 2017, THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
21 DEVELOPMENT SHALL, IN COOPERATION WITH THE OFFICE AND THE  
22 DEPARTMENT, COMPLETE A REVIEW AND ANALYSIS OF ALL ACTIVE ZONES.  
23 THE REVIEW SHALL INCLUDE AN ANALYSIS OF:

24 (1) THE NUMBER OF NEW JOBS CREATED.

25 (2) THE COST TO AND IMPACT OF THE ZONES ON THE  
26 COMMONWEALTH AND THE REVENUE OF THE COMMONWEALTH.

27 (3) ECONOMIC DEVELOPMENT TO THE CITY, BOROUGH OR  
28 TOWNSHIP IN A ZONE AND TO THE COMMONWEALTH.

29 (4) ANY NEGATIVE IMPACT ON ADJACENT MUNICIPALITIES OR  
30 THE COMMONWEALTH.

1 (B) OTHER REVIEW.--BY DECEMBER 31, 2017, THE INDEPENDENT  
2 FISCAL OFFICE SHALL COMPLETE A REVIEW AND ANALYSIS OF ALL ZONES.  
3 THE REVIEW SHALL INCLUDE AN ANALYSIS OF THE FACTORS UNDER  
4 SUBSECTION (A) (1), (2), (3) AND (4).

5 § 5819. CONFIDENTIALITY.

6 (A) SOLE USE.--A ZONE REPORT OR CERTIFICATION UNDER THIS  
7 CHAPTER SHALL ONLY BE USED BY A CONTRACTING AUTHORITY TO VERIFY  
8 THE AMOUNT OF THE STATE TAX BASELINE AMOUNT CALCULATED UNDER  
9 SECTION 5811 (RELATING TO CALCULATION OF BASELINE) AND STATE TAX  
10 CERTIFICATION UNDER SECTION 5812 (RELATING TO CERTIFICATION).

11 (B) PROHIBITION.--USE OF A ZONE REPORT OTHER THAN AS SET  
12 FORTH IN SUBSECTION (A) IS PROHIBITED AND SHALL BE SUBJECT TO  
13 THE LAW APPLICABLE TO THE CONFIDENTIALITY OF TAX RECORDS.

14 § 5820. PENALTIES.

15 THE DEPARTMENT MAY DEDUCT MONEY FROM THE NEXT TRANSFER TO THE  
16 ZONE FUND IF IT DETERMINES THAT THE CONTRACTING AUTHORITY HAS  
17 VIOLATED THE ACT IN AN AMOUNT NOT TO EXCEED \$5,000 PER  
18 VIOLATION.

19 § 5821. GUIDELINES.

20 BY AUGUST 31, 2014, THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
21 DEVELOPMENT, THE OFFICE AND THE DEPARTMENT SHALL DEVELOP AND  
22 PUBLISH GUIDELINES NECESSARY TO IMPLEMENT THIS CHAPTER.

23 Section 3. The heading of section 8721 of Title 53 is  
24 amended to read:

25 § 8721. Hotel room rental in certain counties of the second  
26 class and second class A.

27 \* \* \*

28 Section 4. Title 53 is amended by adding sections to read:

29 § 8722. Hotel room rental tax in certain third class counties.

30 (a) General rule.--A county may, by ordinance, impose a tax

1 which shall be known as a hotel room rental tax on the  
2 consideration received by each operator of a hotel within the  
3 county from each transaction of renting a room or rooms to  
4 accommodate transients. The tax shall be collected by the  
5 operator from the patron of the room and paid over to the county  
6 where the hotel is located as provided under this section.

7 (b) Rate.--The rate of the tax imposed under this section  
8 shall not exceed 2%, in addition to the tax imposed under  
9 section 1770.2 of the act of August 9, 1955 (P.L.323, No.130),  
10 known as The County Code.

11 (c) Collection.--The treasurer of each county electing to  
12 impose the tax authorized under this section shall collect the  
13 tax and deposit the revenues received from the tax in a special  
14 fund established for that purpose. Subsequent to the deduction  
15 for administrative costs established in subsection (f), the  
16 county shall distribute to the recognized tourist promotion  
17 agency all revenues received from the tax not later than 60 days  
18 after receipt of the tax revenues. The revenues from the special  
19 fund shall be used by the recognized tourist promotion agency  
20 for any or all of the following purposes:

21 (1) Convention promotion.

22 (2) Marketing the area served by the agency as a leisure  
23 travel destination.

24 (3) Marketing the area served by the agency as a  
25 business travel destination.

26 (4) Using all appropriate marketing tools to accomplish  
27 these purposes, including, but not limited to, advertising,  
28 publicity, publications, direct marketing, direct sales and  
29 participation in industry trade shows.

30 (5) Projects or programs that are directly and



1 substantially related to tourism within the county, augment  
2 and do not unduly compete with private sector tourism efforts  
3 and improve and expand the county as a destination market.

4 (6) Any other tourism marketing or promotion program  
5 deemed necessary by the recognized tourist promotion agency.

6 (d) Tax year.--Each tax year for any tax imposed under this  
7 section shall run concurrently with the county's fiscal year.

8 (e) Report.--An audited report on the income and  
9 expenditures incurred by a recognized tourist promotion agency  
10 receiving any revenues from the tax authorized under this  
11 section shall be submitted annually by the recognized tourist  
12 promotion agency to the county commissioners.

13 (f) Administrative fee.--For the purposes of defraying costs  
14 associated with the collection of the tax imposed under this  
15 section and otherwise performing its obligations under this  
16 section, a county is hereby authorized to deduct and retain an  
17 administrative fee from the taxes collected hereunder. Such  
18 administrative fee shall be established by the county but shall  
19 not exceed in any tax year the lesser of:

20 (1) two percent of all taxes collected under this  
21 section; or

22 (2) fifty thousand dollars, which amount shall be  
23 adjusted annually, beginning one year after the date of  
24 enactment, by the the percentage growth in the Consumer Price  
25 Index for All Urban Consumers as determined by the United  
26 States Department of Labor.

27 (g) Definitions.--As used in this section, the following  
28 words and phrases shall have the meanings given to them in this  
29 subsection unless the context clearly indicates otherwise:

30 "Consideration." Receipts, fees, charges, rentals, leases,

1 cash, credits, property of any kind or nature or other payment  
2 received by operators in exchange for or in consideration of the  
3 use or occupancy by a transient of a room or rooms in a hotel  
4 for a temporary period.

5 "County." Any county of the third class having a population  
6 under the 2010 Federal decennial census in excess of 430,000  
7 residents but less than 440,000 residents.

8 "Hotel." A hotel, motel, inn, guesthouse or other structure  
9 which holds itself out by any means, including advertising,  
10 license, registration with an innkeepers' group, convention  
11 listing association, travel publication or similar association  
12 or with a government agency, as being available to provide  
13 overnight lodging for consideration to persons seeking temporary  
14 accommodation; any place which advertises to the public at large  
15 or any segment thereof that it will provide beds, sanitary  
16 facilities or other space for a temporary period to members of  
17 the public at large; or any place recognized as a hostelry. The  
18 term does not include any portion of a facility that is devoted  
19 to persons who have an established permanent residence or a  
20 college or university student residence hall or any private  
21 campground or any cabins, public campgrounds or other facilities  
22 located on State land.

23 "Operator." Any individual, partnership, nonprofit or  
24 profit-making association or corporation or other person or  
25 group of persons who maintain, operate, manage, own, have  
26 custody of or otherwise possess the right to rent or lease  
27 overnight accommodations in a building to the public for  
28 consideration.

29 "Patron." Any person who pays the consideration for the  
30 occupancy of a room or rooms in a hotel.

1 "Permanent resident." Any person who has occupied or has the  
2 right to occupy a room or rooms in a hotel as a patron or  
3 otherwise for a period exceeding 30 consecutive days.

4 "Recognized tourist promotion agency." The nonprofit  
5 corporation, organization, association or agency which is  
6 engaged in planning and promoting programs designed to stimulate  
7 and increase the volume of tourist, visitor and vacation  
8 business within counties served by the agency as that term is  
9 provided under the act of July 4, 2008 (P.L.621, No.50), known  
10 as the Tourism Promotion Act.

11 "Room." A space in a building set aside for use and  
12 occupancy by patrons, or otherwise, for consideration, having at  
13 least one bed or other sleeping accommodations provided.

14 "Temporary resident." Any person who has occupied or has the  
15 right to occupy a room or rooms in a hotel as a patron or  
16 otherwise for a period of time not exceeding 30 consecutive  
17 days.

18 "Transaction." The activity involving the obtaining by a  
19 transient or patron of the use or occupancy of a hotel room from  
20 which consideration emanates to the operator under an expressed  
21 or implied contract.

22 "Transient." Any person who obtains an accommodation in any  
23 hotel for the person by means of registering at the facility for  
24 the temporary occupancy of a room for the personal use of that  
25 person by paying to the operator of the facility a fee in  
26 consideration therefor.

27 ~~§ 8723. (Reserved).~~

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28 § 8723. HOTEL ROOM RENTAL TAX IN CERTAIN FOURTH CLASS COUNTIES.

<--

29 (A) AUTHORIZATION.--A COUNTY MAY, BY ORDINANCE, IMPOSE A TAX  
30 WHICH SHALL BE KNOWN AS A HOTEL ROOM RENTAL TAX ON THE

1 CONSIDERATION RECEIVED BY EACH OPERATOR OF A HOTEL WITHIN THE  
2 COUNTY FROM EACH TRANSACTION OF RENTING A ROOM OR ROOMS TO  
3 TRANSIENTS. THE TAX SHALL BE COLLECTED BY THE OPERATOR FROM THE  
4 PATRON OF THE ROOM OR ROOMS AND PAID OVER TO THE COUNTY AS  
5 PROVIDED UNDER THIS SECTION.

6 (B) RATE.--THE RATE OF THE TAX IMPOSED UNDER THIS SECTION  
7 SHALL NOT EXCEED 5%, IN ADDITION TO THE TAX IMPOSED UNDER  
8 SECTION 1770.6 OF THE ACT OF AUGUST 9, 1955 (P.L.323, NO.130),  
9 KNOWN AS THE COUNTY CODE.

10 (C) RECORDS.--THE PROVISIONS OF SUBSECTION (D)  
11 NOTWITHSTANDING, COUNTY COMMISSIONERS MAY BY ORDINANCE IMPOSE  
12 REQUIREMENTS FOR KEEPING OF RECORDS, THE FILING OF TAX RETURNS  
13 AND THE TIME AND MANNER OF COLLECTION AND PAYMENT OF TAX. THE  
14 COUNTY COMMISSIONERS MAY ALSO IMPOSE BY ORDINANCE PENALTIES AND  
15 INTEREST FOR FAILURE TO COMPLY WITH RECORDKEEPING, FILING,  
16 COLLECTION AND PAYMENT REQUIREMENTS.

17 (D) AUDIT.--EACH OPERATOR OF A HOTEL WITHIN A COUNTY THAT  
18 IMPOSES THE TAX AUTHORIZED UNDER THIS SECTION SHALL SUBMIT TO AN  
19 AUDIT OF HOTEL TAX REVENUE. THE AUDIT SHALL BE CONDUCTED BY THE  
20 COUNTY COMMISSIONERS AND SHALL CONSIST, AT A MINIMUM, OF  
21 DETERMINING THE TOTAL AMOUNT OF CONSIDERATION RECEIVED BY THE  
22 OPERATOR FROM TRANSACTIONS OF RENTING A ROOM OR ROOMS TO  
23 TRANSIENTS DURING THE PERIOD BEING AUDITED AND THE TOTAL AMOUNT  
24 OF HOTEL TAX REVENUE COLLECTED. THE COUNTY COMMISSIONERS OR  
25 THEIR DULY AUTHORIZED AGENTS SHALL CONDUCT AT LEAST ONE AUDIT  
26 ANNUALLY AND SHALL BEAR THE COSTS OF THE AUDIT.

27 (E) (RESERVED).

28 (F) COLLECTION, DEPOSIT AND DISPOSITION.--THE TREASURER OF  
29 EACH COUNTY THAT IMPOSES THE TAX AUTHORIZED UNDER THIS SECTION  
30 SHALL COLLECT THE TAX AND DEPOSIT THE REVENUES RECEIVED FROM THE

1 TAX IN A SPECIAL FUND ESTABLISHED FOR THAT PURPOSE. SUBJECT TO  
2 THE DEDUCTION OF THE ADMINISTRATIVE FEE AUTHORIZED BY SUBSECTION  
3 (I), THE DISPOSITION OF THE REVENUES FROM THE SPECIAL FUND SHALL  
4 BE AS FOLLOWS:

5 (1) SEVENTY-FIVE PERCENT OF ALL REVENUES RECEIVED PER  
6 ANNUM SHALL BE USED BY THE COUNTY'S RECOGNIZED TPA FOR THE  
7 PROMOTION, ADVERTISING AND MARKETING OF TOURISM AND SPECIAL  
8 EVENTS AND FOR ADMINISTRATIVE COSTS.

9 (2) TWENTY-FIVE PERCENT OF ALL REVENUES RECEIVED PER  
10 ANNUM SHALL BE DISTRIBUTED AS FOLLOWS:

11 (I) FIFTY PERCENT SHALL BE USED BY THE COUNTY  
12 COMMISSIONERS FOR THE PURPOSES OF ECONOMIC DEVELOPMENT,  
13 HISTORIC PRESERVATION AND THE ARTS. THE COUNTY  
14 COMMISSIONERS SHALL USE 10% OF THE FUNDS RECEIVED UNDER  
15 THIS SUBPARAGRAPH FOR GRANTS TO MUNICIPALITIES THAT EACH  
16 HAVE AT LEAST 20,000 RESIDENTS.

17 (II) FIFTY PERCENT SHALL BE USED BY THE COUNTY  
18 COMMISSIONERS FOR GRANTS TO MUNICIPALITIES THAT:

19 (A) HAVE A MUNICIPAL POLICE DEPARTMENT EMPLOYING  
20 AT LEAST TWO FULL-TIME POLICE OFFICERS ASSIGNED TO  
21 LAW ENFORCEMENT DUTIES WHO WORK A MINIMUM OF 200 DAYS  
22 PER YEAR; OR

23 (B) ARE A MEMBER OF A REGIONAL POLICE DEPARTMENT  
24 THAT PROVIDES FULL-TIME POLICE SERVICES TO THE  
25 MUNICIPALITY PURSUANT TO AN AGREEMENT OR CONTRACT.

26 (III) MUNICIPALITIES RECEIVING GRANTS UNDER  
27 SUBPARAGRAPH (II) MUST MEET OR HAVE MET THE ELIGIBILITY  
28 REQUIREMENTS UNDER SUBPARAGRAPH (II) (A) OR (B) FOR A  
29 MINIMUM OF TWO YEARS PRIOR TO RECEIVING THE GRANT.

30 (G) GRANTS.--GRANTS UNDER SUBSECTION (F) (2) (II) SHALL BE

1 DISTRIBUTED TO MUNICIPALITIES IN PROPORTION TO THE NUMBER OF  
2 HOTEL ROOMS WITHIN THE MUNICIPALITY AS A PERCENTAGE OF THE TOTAL  
3 NUMBER OF HOTEL ROOMS IN MUNICIPALITIES WITH POLICE DEPARTMENTS  
4 UNDER SUBSECTION (F) (2) (II) AS COMPILED BY THE RECOGNIZED TPA  
5 AND CERTIFIED BY THE COUNTY COMMISSIONERS. GRANTS SHALL BE USED  
6 FOR POLICE AND LAW ENFORCEMENT PURPOSES. ANY PORTION OF A GRANT  
7 NOT USED FOR POLICE AND LAW ENFORCEMENT PURPOSES SHALL BE  
8 RETURNED TO THE COUNTY FOR THE PURPOSES OF SUBSECTION (F) (2) (I).

9 (H) TAX YEAR.--THE TAX YEAR FOR A TAX IMPOSED UNDER THIS  
10 SECTION SHALL RUN CONCURRENTLY WITH THE CALENDAR YEAR.

11 (I) AUDITED REPORT.--AN AUDITED REPORT ON THE INCOME AND  
12 EXPENDITURES INCURRED BY A TPA RECEIVING ANY REVENUES FROM THE  
13 TAX AUTHORIZED UNDER THIS SECTION SHALL BE SUBMITTED ANNUALLY BY  
14 THE TPA TO THE COUNTY COMMISSIONERS.

15 (J) ADMINISTRATIVE FEE.--THE COUNTY MAY DEDUCT AND RETAIN AN  
16 ADMINISTRATIVE FEE FROM THE TAXES COLLECTED UNDER THIS SECTION.  
17 THE ADMINISTRATIVE FEE ESTABLISHED BY THE COUNTY MAY NOT EXCEED  
18 IN ANY TAX YEAR THE LESSER OF:

19 (1) FOUR AND ONE-HALF PERCENT OF ALL TAXES COLLECTED  
20 UNDER THIS SECTION; OR

21 (2) NINETY-FIVE THOUSAND DOLLARS, WHICH AMOUNT SHALL BE  
22 ADJUSTED BIANNUALLY, BEGINNING TWO YEARS AFTER THE EFFECTIVE  
23 DATE OF THIS SUBSECTION, BY THE PERCENTAGE GROWTH IN THE  
24 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS.

25 (K) USE OF FEE.--REVENUE COLLECTED FROM THE FEE IMPOSED  
26 UNDER SUBSECTION (J) SHALL BE USED FOR THE FOLLOWING PURPOSES:

27 (1) DEFRAYING THE COSTS ASSOCIATED WITH THE COLLECTION  
28 AND ADMINISTRATION OF THE TAX.

29 (2) DEFRAYING THE COSTS OF THE AUDIT REQUIRED UNDER  
30 SUBSECTION (D).

1 (L) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
2 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
3 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

4 "CONSIDERATION." RECEIPTS, FEES, CHARGES, RENTALS, LEASES,  
5 CASH, CREDITS, PROPERTY OF ANY KIND OR NATURE, OR OTHER PAYMENT  
6 RECEIVED BY OPERATORS IN EXCHANGE FOR OR IN CONSIDERATION OF THE  
7 USE OR OCCUPANCY BY A TRANSIENT OF A ROOM OR ROOMS IN A HOTEL  
8 FOR ANY TEMPORARY PERIOD.

9 "COUNTY." A COUNTY OF THE FOURTH CLASS HAVING A POPULATION  
10 UNDER THE 2010 FEDERAL DECENNIAL CENSUS IN EXCESS OF 149,000  
11 RESIDENTS BUT LESS THAN 152,000 RESIDENTS.

12 "HOTEL." A HOTEL, MOTEL, INN, GUEST HOUSE OR OTHER STRUCTURE  
13 WHICH HOLDS ITSELF OUT BY ANY MEANS, INCLUDING ADVERTISING,  
14 LICENSE, REGISTRATION WITH AN INNKEEPERS' GROUP, CONVENTION  
15 LISTING ASSOCIATION, TRAVEL PUBLICATION OR SIMILAR ASSOCIATION  
16 OR WITH A GOVERNMENT AGENCY, AS BEING AVAILABLE TO PROVIDE  
17 OVERNIGHT LODGING OR USE OF FACILITY SPACE FOR CONSIDERATION TO  
18 PERSONS SEEKING TEMPORARY ACCOMMODATION; ANY PLACE WHICH  
19 ADVERTISES TO THE PUBLIC AT LARGE OR ANY SEGMENT THEREOF THAT IT  
20 WILL PROVIDE BEDS, SANITARY FACILITIES OR OTHER SPACE FOR A  
21 TEMPORARY PERIOD TO MEMBERS OF THE PUBLIC AT LARGE; OR ANY PLACE  
22 RECOGNIZED AS A HOSTELRY. THE TERM DOES NOT INCLUDE ANY PORTION  
23 OF A FACILITY THAT IS DEVOTED TO PERSONS WHO HAVE AN ESTABLISHED  
24 PERMANENT RESIDENCE OR A COLLEGE OR UNIVERSITY STUDENT RESIDENCE  
25 HALL.

26 "OCCUPANCY." THE USE OR POSSESSION OR THE RIGHT TO THE USE  
27 OR POSSESSION BY ANY PERSON OTHER THAN A PERMANENT RESIDENT OF  
28 ANY ROOM IN A HOTEL FOR ANY PURPOSE OR THE RIGHT TO THE USE OR  
29 POSSESSION OF THE FURNISHINGS OR TO THE SERVICES ACCOMPANYING  
30 THE USE AND POSSESSION OF THE ROOM.

1 "OPERATOR." AN INDIVIDUAL, PARTNERSHIP, NONPROFIT OR PROFIT-  
2 MAKING ASSOCIATION OR CORPORATION OR OTHER PERSON OR GROUP OF  
3 PERSONS WHO MAINTAIN, OPERATE, MANAGE, OWN, HAVE CUSTODY OF OR  
4 OTHERWISE POSSESS THE RIGHT TO RENT OR LEASE OVERNIGHT  
5 ACCOMMODATIONS IN A HOTEL TO THE PUBLIC FOR CONSIDERATION.

6 "PATRON." A PERSON WHO PAYS THE CONSIDERATION FOR THE  
7 OCCUPANCY OF A ROOM OR ROOMS IN A HOTEL.

8 "PERMANENT RESIDENT." A PERSON WHO HAS OCCUPIED OR HAS THE  
9 RIGHT TO OCCUPANCY OF A ROOM OR ROOMS IN A HOTEL AS A PATRON OR  
10 OTHERWISE FOR A PERIOD EXCEEDING THIRTY CONSECUTIVE DAYS.

11 "ROOM." A SPACE IN A HOTEL SET ASIDE FOR USE AND OCCUPANCY  
12 BY PATRONS, OR OTHERWISE, FOR CONSIDERATION, HAVING AT LEAST ONE  
13 BED OR OTHER SLEEPING ACCOMMODATION IN A ROOM OR GROUP OF ROOMS.

14 "TOURIST PROMOTION AGENCY (TPA)." AN ORGANIZATION, AGENCY OR  
15 CORPORATION DESIGNATED TO BE SUCH BY THE BOARD OF COMMISSIONERS  
16 AS OF JANUARY 1, 2000, OF THE COUNTY IN WHICH THE TAX IS  
17 IMPOSED. THE TPA SHALL BE DULY ESTABLISHED, DESIGNATED AND  
18 RECOGNIZED AS THE COUNTY'S TPA IN ACCORDANCE WITH AND PURSUANT  
19 TO THE ACT OF JULY 4, 2008 (P.L.621, NO.50), KNOWN AS THE  
20 TOURISM PROMOTION ACT.

21 "TRANSACTION." THE ACTIVITY INVOLVING THE OBTAINING BY A  
22 TRANSIENT OR PATRON OF THE USE OR OCCUPANCY OF A HOTEL ROOM FROM  
23 WHICH CONSIDERATION IS PAYABLE TO THE OPERATOR UNDER AN EXPRESS  
24 OR AN IMPLIED CONTRACT.

25 "TRANSIENT." AN INDIVIDUAL WHO OBTAINS ACCOMMODATION IN A  
26 HOTEL BY MEANS OF REGISTERING AT THE FACILITY FOR THE TEMPORARY  
27 OCCUPANCY OF A ROOM FOR THE PERSONAL USE OF THE INDIVIDUAL BY  
28 PAYING A FEE TO THE OPERATOR.

29 § 8724. HOTEL ROOM RENTAL TAX IN SECOND CLASS TOWNSHIP.

30 (A) TAX.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE



1 CONTRARY, THE GOVERNING BODY OF A TOWNSHIP MAY IMPOSE AN EXCISE  
2 TAX ON THE CONSIDERATION RECEIVED BY EACH OPERATOR OF A HOTEL  
3 FROM EACH TRANSACTION OF RENTING A ROOM TO ACCOMMODATE A  
4 TRANSIENT. IF LEVIED, THE TAX SHALL BE COLLECTED BY THE OPERATOR  
5 FROM THE PATRON OF THE ROOM AND PAID OVER TO THE TOWNSHIP AND  
6 SHALL BE KNOWN AS THE SECOND CLASS TOWNSHIP HOTEL ROOM RENTAL  
7 TAX.

8 (B) RATE.--THE RATE OF THE TAX IMPOSED UNDER THIS SECTION  
9 SHALL NOT EXCEED 3%.

10 (C) IMPOSITION.--A TOWNSHIP ELECTING TO IMPOSE THE TAX SHALL  
11 BY ORDINANCE OR RESOLUTION PROVIDE FOR THE CREATION OR  
12 DESIGNATION OF A POLITICAL SUBDIVISION, PUBLIC EMPLOYEE, TAX  
13 BUREAU OR PUBLIC OR PRIVATE AGENCY TO COLLECT THE TAX AND  
14 DEPOSIT THE REVENUES RECEIVED FROM THE TAX IN A SPECIAL FUND.  
15 THE REVENUES FROM THE SPECIAL FUND SHALL BE USED BY THE TOWNSHIP  
16 FOR THE PROVISION OF POLICE AND EMERGENCY SERVICES.

17 (D) YEAR.--EACH TAX YEAR WHEN A TAX IS IMPOSED UNDER THIS  
18 SECTION SHALL RUN CONCURRENTLY WITH THE TOWNSHIP'S FISCAL YEAR.

19 (E) LIMITATIONS.--SECTION 301.1(F)(3) OF THE ACT OF DECEMBER  
20 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING  
21 ACT, SHALL NOT APPLY TO THE SECOND CLASS TOWNSHIP HOTEL ROOM  
22 RENTAL TAX IMPOSED UNDER THIS SECTION.

23 (F) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
24 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
25 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

26 "BED AND BREAKFAST" OR "HOMESTEAD." A PUBLIC ACCOMMODATION  
27 CONSISTING OF A PRIVATE RESIDENCE WHICH CONTAINS TEN OR FEWER  
28 BEDROOMS USED FOR PROVIDING OVERNIGHT ACCOMMODATIONS TO THE  
29 PUBLIC AND IN WHICH BREAKFAST IS THE ONLY MEAL SERVED AND THE  
30 CHARGE FOR BREAKFAST IS INCLUDED IN THE CHARGE FOR THE ROOM.

1 "CONSIDERATION." RECEIPTS, FEES, CHARGES, RENTALS, LEASES,  
2 CASH, CREDITS, PROPERTY OF ANY KIND OR NATURE OR OTHER PAYMENT  
3 RECEIVED BY AN OPERATOR IN EXCHANGE FOR OR IN CONSIDERATION OF  
4 THE USE OR OCCUPANCY BY A TRANSIENT OF A ROOM IN A HOTEL FOR A  
5 TEMPORARY PERIOD.

6 "HOTEL." INCLUDES ANY OF THE FOLLOWING:

7 (1) HOTEL, MOTEL, BED AND BREAKFAST, HOMESTEAD, INN,  
8 GUEST HOUSE OR OTHER STRUCTURE WHICH HOLDS ITSELF OUT BY ANY  
9 MEANS, INCLUDING ADVERTISING, LICENSE, REGISTRATION WITH AN  
10 INNKEEPERS' GROUP, CONVENTION LISTING ASSOCIATION, TRAVEL  
11 PUBLICATION OR SIMILAR ASSOCIATION OR WITH A GOVERNMENT  
12 AGENCY, AS BEING AVAILABLE TO PROVIDE OVERNIGHT LODGING OR  
13 USE OF FACILITY SPACE FOR CONSIDERATION TO PERSONS SEEKING  
14 TEMPORARY ACCOMMODATION;

15 (2) ANY PLACE WHICH ADVERTISES TO THE PUBLIC AT LARGE OR  
16 ANY SEGMENT OF THE PUBLIC THAT IT WILL PROVIDE BEDS, SANITARY  
17 FACILITIES OR OTHER SPACE FOR A TEMPORARY PERIOD TO MEMBERS  
18 OF THE PUBLIC AT LARGE; OR

19 (3) ANY PLACE RECOGNIZED AS A HOSTELRY.

20 THE TERM DOES NOT INCLUDE ANY PORTION OF A FACILITY THAT IS  
21 DEVOTED TO PERSONS WHO HAVE AN ESTABLISHED PERMANENT RESIDENCE  
22 OR A COLLEGE OR UNIVERSITY STUDENT RESIDENCE HALL OR ANY PRIVATE  
23 CAMPGROUND OR ANY CABINS, PUBLIC CAMPGROUNDS OR OTHER FACILITIES  
24 LOCATED ON STATE LAND.

25 "OCCUPANCY." THE USE OR POSSESSION OR THE RIGHT TO THE USE  
26 OR POSSESSION BY ANY PERSON OTHER THAN A PERMANENT RESIDENT OF  
27 ANY ROOM IN A HOTEL FOR ANY PURPOSE OR THE RIGHT TO THE USE OR  
28 POSSESSION OF THE FURNISHINGS OR TO THE SERVICES ACCOMPANYING  
29 THE USE AND POSSESSION OF THE ROOM.

30 "OPERATOR." AN INDIVIDUAL, PARTNERSHIP, NONPROFIT OR PROFIT-

1 MAKING ASSOCIATION OR CORPORATION OR OTHER PERSON OR GROUP OF  
2 PERSONS WHO MAINTAIN, OPERATE, MANAGE, OWN, HAVE CUSTODY OF OR  
3 OTHERWISE POSSESS THE RIGHT TO RENT OR LEASE OVERNIGHT  
4 ACCOMMODATIONS IN A HOTEL TO THE PUBLIC FOR CONSIDERATION.

5 "PATRON." A PERSON WHO PAYS THE CONSIDERATION FOR THE  
6 OCCUPANCY OF A ROOM IN A HOTEL.

7 "PERMANENT RESIDENT." A PERSON WHO HAS OCCUPIED OR HAS THE  
8 RIGHT TO OCCUPANCY OF A ROOM IN A HOTEL AS A PATRON OR OTHERWISE  
9 FOR A PERIOD OF MORE THAN 30 CONSECUTIVE DAYS.

10 "ROOM." A SPACE IN A HOTEL SET ASIDE FOR USE AND OCCUPANCY  
11 BY PATRONS, OR OTHERWISE, FOR CONSIDERATION, HAVING AT LEAST ONE  
12 BED OR OTHER SLEEPING ACCOMMODATION IN A ROOM OR GROUP OF ROOMS.

13 "TOWNSHIP." A TOWNSHIP OF THE SECOND CLASS WITH A POPULATION  
14 OF MORE THAN 60,000 AND LESS THAN 61,000 BASED ON THE 2010  
15 FEDERAL DECENNIAL CENSUS AND WHICH IS LOCATED WITHIN A COUNTY OF  
16 THE SECOND CLASS A.

17 "TRANSACTION." THE ACTIVITY INVOLVING THE OBTAINING BY A  
18 TRANSIENT OR PATRON OF THE USE OR OCCUPANCY OF A HOTEL ROOM FROM  
19 WHICH CONSIDERATION IS PAYABLE TO THE OPERATOR UNDER AN EXPRESS  
20 OR AN IMPLIED CONTRACT.

21 "TRANSIENT." AN INDIVIDUAL WHO OBTAINS ACCOMMODATION IN A  
22 HOTEL BY MEANS OF REGISTERING AT THE FACILITY FOR THE TEMPORARY  
23 OCCUPANCY OF A ROOM FOR THE PERSONAL USE OF THE INDIVIDUAL BY  
24 PAYING A FEE TO THE OPERATOR.

25 § 8725. HOTEL ROOM RENTAL TAX IN ADDITIONAL FOURTH CLASS  
26 COUNTIES.

27 (A) GENERAL RULE.--A COUNTY MAY, BY ORDINANCE, IMPOSE A TAX  
28 WHICH SHALL BE KNOWN AS A HOTEL ROOM RENTAL TAX ON THE  
29 CONSIDERATION RECEIVED BY EACH OPERATOR OF A HOTEL WITHIN THE  
30 COUNTY FROM EACH TRANSACTION OF RENTING A ROOM OR ROOMS TO

1 ACCOMMODATE TRANSIENTS. THE TAX SHALL BE COLLECTED BY THE  
2 OPERATOR FROM THE PATRON OF THE ROOM AND PAID OVER TO THE COUNTY  
3 WHERE THE HOTEL IS LOCATED AS PROVIDED UNDER THIS SECTION.

4 (B) RATE.--THE RATE OF THE TAX IMPOSED UNDER THIS SECTION  
5 SHALL NOT EXCEED 2%, IN ADDITION TO THE TAX IMPOSED UNDER  
6 SECTION 1770.2 OF THE ACT OF AUGUST 9, 1955 (P.L.323, NO.130),  
7 KNOWN AS THE COUNTY CODE.

8 (C) COLLECTION.--THE TREASURER OF EACH COUNTY ELECTING TO  
9 IMPOSE THE TAX AUTHORIZED UNDER THIS SECTION SHALL COLLECT THE  
10 TAX AND DEPOSIT THE REVENUES RECEIVED FROM THE TAX IN A SPECIAL  
11 FUND ESTABLISHED FOR THAT PURPOSE. SUBSEQUENT TO THE DEDUCTION  
12 FOR ADMINISTRATIVE COSTS ESTABLISHED IN SUBSECTION (E), THE  
13 COUNTY SHALL DISTRIBUTE TO THE RECOGNIZED TOURIST PROMOTION  
14 AGENCY ALL REVENUES RECEIVED FROM THE TAX NOT LATER THAN 60 DAYS  
15 AFTER RECEIPT OF THE TAX REVENUES. THE REVENUES FROM THE SPECIAL  
16 FUND SHALL BE USED BY THE RECOGNIZED TOURIST PROMOTION AGENCY  
17 FOR ANY OR ALL OF THE FOLLOWING PURPOSES:

18 (1) CONVENTION PROMOTION.

19 (2) MARKETING THE AREA SERVED BY THE AGENCY AS A LEISURE  
20 TRAVEL DESTINATION.

21 (3) MARKETING THE AREA SERVED BY THE AGENCY AS A  
22 BUSINESS TRAVEL DESTINATION.

23 (4) USING ALL APPROPRIATE MARKETING TOOLS TO ACCOMPLISH  
24 THESE PURPOSES, INCLUDING, BUT NOT LIMITED TO, ADVERTISING,  
25 PUBLICITY, PUBLICATIONS, DIRECT MARKETING, DIRECT SALES AND  
26 PARTICIPATION IN INDUSTRY TRADE SHOWS.

27 (5) PROJECTS OR PROGRAMS THAT ARE DIRECTLY AND  
28 SUBSTANTIALLY RELATED TO TOURISM WITHIN THE COUNTY, AUGMENT  
29 AND DO NOT UNDULY COMPETE WITH PRIVATE SECTOR TOURISM EFFORTS  
30 AND IMPROVE AND EXPAND THE COUNTY AS A DESTINATION MARKET.

1 (D) TAX YEAR.--EACH TAX YEAR FOR ANY TAX IMPOSED UNDER THIS  
2 SECTION SHALL RUN CONCURRENTLY WITH THE COUNTY'S FISCAL YEAR.

3 (E) ADMINISTRATIVE FEE.--FOR THE PURPOSES OF DEFRAYING COSTS  
4 ASSOCIATED WITH THE COLLECTION OF THE TAX IMPOSED UNDER THIS  
5 SECTION AND OTHERWISE PERFORMING ITS OBLIGATIONS UNDER THIS  
6 SECTION, A COUNTY IS HEREBY AUTHORIZED TO DEDUCT AND RETAIN AN  
7 ADMINISTRATIVE FEE FROM THE TAXES COLLECTED HEREUNDER. SUCH  
8 ADMINISTRATIVE FEE SHALL BE ESTABLISHED BY THE COUNTY BUT SHALL  
9 NOT EXCEED IN ANY TAX YEAR THE LESSER OF:

10 (1) TWO PERCENT OF ALL TAXES COLLECTED UNDER THIS  
11 SECTION; OR

12 (2) FIFTY THOUSAND DOLLARS, WHICH AMOUNT SHALL BE  
13 ADJUSTED ANNUALLY, BEGINNING ONE YEAR AFTER THE DATE OF  
14 ENACTMENT, BY THE THE PERCENTAGE GROWTH IN THE CONSUMER PRICE  
15 INDEX FOR ALL URBAN CONSUMERS AS DETERMINED BY THE UNITED  
16 STATES DEPARTMENT OF LABOR.

17 (F) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
18 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
19 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

20 "CONSIDERATION." RECEIPTS, FEES, CHARGES, RENTALS, LEASES,  
21 CASH, CREDITS, PROPERTY OF ANY KIND OR NATURE OR OTHER PAYMENT  
22 RECEIVED BY OPERATORS IN EXCHANGE FOR OR IN CONSIDERATION OF THE  
23 USE OR OCCUPANCY BY A TRANSIENT OF A ROOM OR ROOMS IN A HOTEL  
24 FOR A TEMPORARY PERIOD.

25 "COUNTY." ANY COUNTY OF THE FOURTH CLASS HAVING A POPULATION  
26 UNDER THE 2010 FEDERAL DECENNIAL CENSUS IN EXCESS OF 148,000  
27 RESIDENTS BUT LESS THAN 149,000 RESIDENTS.

28 "HOTEL." A HOTEL, MOTEL, INN, GUESTHOUSE OR OTHER STRUCTURE  
29 WHICH HOLDS ITSELF OUT BY ANY MEANS, INCLUDING ADVERTISING,  
30 LICENSE, REGISTRATION WITH AN INNKEEPERS' GROUP, CONVENTION

1 LISTING ASSOCIATION, TRAVEL PUBLICATION OR SIMILAR ASSOCIATION  
2 OR WITH A GOVERNMENT AGENCY, AS BEING AVAILABLE TO PROVIDE  
3 OVERNIGHT LODGING FOR CONSIDERATION TO PERSONS SEEKING TEMPORARY  
4 ACCOMMODATION; ANY PLACE WHICH ADVERTISES TO THE PUBLIC AT LARGE  
5 OR ANY SEGMENT THEREOF THAT IT WILL PROVIDE BEDS, SANITARY  
6 FACILITIES OR OTHER SPACE FOR A TEMPORARY PERIOD TO MEMBERS OF  
7 THE PUBLIC AT LARGE; OR ANY PLACE RECOGNIZED AS A HOSTELRY. THE  
8 TERM DOES NOT INCLUDE ANY PORTION OF A FACILITY THAT IS DEVOTED  
9 TO PERSONS WHO HAVE AN ESTABLISHED PERMANENT RESIDENCE OR A  
10 COLLEGE OR UNIVERSITY STUDENT RESIDENCE HALL OR ANY PRIVATE  
11 CAMPGROUND OR ANY CABINS, PUBLIC CAMPGROUNDS OR OTHER FACILITIES  
12 LOCATED ON STATE LAND.

13 "OPERATOR." ANY INDIVIDUAL, PARTNERSHIP, NONPROFIT OR  
14 PROFIT-MAKING ASSOCIATION OR CORPORATION OR OTHER PERSON OR  
15 GROUP OF PERSONS WHO MAINTAINS, OPERATES, MANAGES, OWNS, HAS  
16 CUSTODY OF OR OTHERWISE POSSESSES THE RIGHT TO RENT OR LEASES  
17 OVERNIGHT ACCOMMODATION IN A BUILDING TO THE PUBLIC FOR  
18 CONSIDERATION.

19 "PATRON." ANY PERSON WHO PAYS THE CONSIDERATION FOR THE  
20 OCCUPANCY OF A ROOM OR ROOMS IN A HOTEL.

21 "PERMANENT RESIDENT." ANY PERSON WHO HAS OCCUPIED OR HAS THE  
22 RIGHT TO OCCUPY A ROOM OR ROOMS IN A HOTEL AS A PATRON OTHERWISE  
23 FOR A PERIOD EXCEEDING 30 CONSECUTIVE DAYS.

24 "ROOM." A SPACE IN A BUILDING SET ASIDE FOR USE AND  
25 OCCUPANCY BY PATRONS, OR OTHERWISE, FOR CONSIDERATION, HAVING AT  
26 LEAST ONE BED OR OTHER SLEEPING ACCOMMODATIONS PROVIDED.

27 "TEMPORARY RESIDENT." ANY PERSON WHO HAS OCCUPIED OR HAS THE  
28 RIGHT TO OCCUPY A ROOM OR ROOMS IN A HOTEL AS A PATRON OTHERWISE  
29 FOR A PERIOD OF TIME NOT EXCEEDING 30 CONSECUTIVE DAYS.

30 "TRANSACTION." THE ACTIVITY INVOLVING THE OBTAINING BY A

1 TRANSIENT OR PATRON OF THE USE OR OCCUPANCY OF A HOTEL ROOM FROM  
2 WHICH CONSIDERATION EMANATES TO THE OPERATOR UNDER AN EXPRESSED  
3 OR IMPLIED CONTRACT.

4 "TRANSIENT." ANY PERSON WHO OBTAINS AN ACCOMMODATION IN ANY  
5 HOTEL FOR THE PERSON BY MEANS OF REGISTERING AT THE FACILITY FOR  
6 THE TEMPORARY OCCUPANCY OF A ROOM FOR THE PERSONAL USE OF THAT  
7 PERSON BY PAYING TO THE OPERATOR OF THE FACILITY A FEE IN  
8 CONSIDERATION THEREFOR.

9 § 8725.1. HOTEL ROOM RENTAL TAX IN OTHER FOURTH CLASS COUNTIES.

10 (A) GENERAL RULE.--A COUNTY MAY, BY ORDINANCE, IMPOSE A TAX  
11 WHICH SHALL BE KNOWN AS A HOTEL ROOM RENTAL TAX ON THE  
12 CONSIDERATION RECEIVED BY EACH OPERATOR OF A HOTEL WITHIN THE  
13 COUNTY FROM EACH TRANSACTION OF RENTING A ROOM OR ROOMS TO  
14 ACCOMMODATE TRANSIENTS. THE TAX SHALL BE COLLECTED BY THE  
15 OPERATOR FROM THE PATRON OF THE ROOM AND PAID OVER TO THE COUNTY  
16 WHERE THE HOTEL IS LOCATED AS PROVIDED UNDER THIS SECTION.

17 (B) RATE.--THE RATE OF THE TAX IMPOSED UNDER THIS SECTION  
18 SHALL NOT EXCEED 2%, IN ADDITION TO THE TAX IMPOSED UNDER  
19 SECTION 1770.2 OF THE ACT OF AUGUST 9, 1955 (P.L.323, NO.130),  
20 KNOWN AS THE COUNTY CODE.

21 (C) COLLECTION.--THE TREASURER OF EACH COUNTY ELECTING TO  
22 IMPOSE THE TAX AUTHORIZED UNDER THIS SECTION SHALL COLLECT THE  
23 TAX AND DEPOSIT THE REVENUES RECEIVED FROM THE TAX IN A SPECIAL  
24 FUND ESTABLISHED FOR THAT PURPOSE. SUBSEQUENT TO THE DEDUCTION  
25 FOR ADMINISTRATIVE COSTS ESTABLISHED IN SUBSECTION (E), THE  
26 COUNTY SHALL DISTRIBUTE TO THE RECOGNIZED TOURIST PROMOTION  
27 AGENCY ALL REVENUES RECEIVED FROM THE TAX NOT LATER THAN 60 DAYS  
28 AFTER RECEIPT OF THE TAX REVENUES.

29 (D) TAX YEAR.--EACH TAX YEAR FOR ANY TAX IMPOSED UNDER THIS  
30 SECTION SHALL RUN CONCURRENTLY WITH THE COUNTY'S FISCAL YEAR.

1 (E) ADMINISTRATIVE FEE.--FOR THE PURPOSES OF DEFRAYING COSTS  
2 ASSOCIATED WITH THE COLLECTION OF THE TAX IMPOSED UNDER THIS  
3 SECTION AND OTHERWISE PERFORMING ITS OBLIGATIONS UNDER THIS  
4 SECTION, A COUNTY IS HEREBY AUTHORIZED TO DEDUCT AND RETAIN AN  
5 ADMINISTRATIVE FEE FROM THE TAXES COLLECTED HEREUNDER. SUCH  
6 ADMINISTRATIVE FEE SHALL BE ESTABLISHED BY THE COUNTY BUT SHALL  
7 NOT EXCEED IN ANY TAX YEAR THE LESSER OF:

8 (1) TWO PERCENT OF ALL TAXES COLLECTED UNDER THIS  
9 SECTION; OR

10 (2) FIFTY THOUSAND DOLLARS, WHICH AMOUNT SHALL BE  
11 ADJUSTED ANNUALLY, BEGINNING ONE YEAR AFTER THE DATE OF  
12 ENACTMENT, BY THE THE PERCENTAGE GROWTH IN THE CONSUMER PRICE  
13 INDEX FOR ALL URBAN CONSUMERS AS DETERMINED BY THE UNITED  
14 STATES DEPARTMENT OF LABOR.

15 (F) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
16 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
17 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

18 "CONSIDERATION." RECEIPTS, FEES, CHARGES, RENTALS, LEASES,  
19 CASH, CREDITS, PROPERTY OF ANY KIND OR NATURE OR OTHER PAYMENT  
20 RECEIVED BY OPERATORS IN EXCHANGE FOR OR IN CONSIDERATION OF THE  
21 USE OR OCCUPANCY BY A TRANSIENT OF A ROOM OR ROOMS IN A HOTEL  
22 FOR A TEMPORARY PERIOD.

23 "COUNTY." ANY COUNTY OF THE FOURTH CLASS HAVING A POPULATION  
24 UNDER THE 2010 FEDERAL DECENNIAL CENSUS IN EXCESS OF 180,000  
25 RESIDENTS BUT LESS THAN 190,000 RESIDENTS.

26 "HOTEL." A HOTEL, MOTEL, INN, GUESTHOUSE OR OTHER STRUCTURE  
27 WHICH HOLDS ITSELF OUT BY ANY MEANS, INCLUDING ADVERTISING,  
28 LICENSE, REGISTRATION WITH AN INNKEEPERS' GROUP, CONVENTION  
29 LISTING ASSOCIATION, TRAVEL PUBLICATION OR SIMILAR ASSOCIATION  
30 OR WITH A GOVERNMENT AGENCY, AS BEING AVAILABLE TO PROVIDE



1 OVERNIGHT LODGING FOR CONSIDERATION TO PERSONS SEEKING TEMPORARY  
2 ACCOMMODATION; ANY PLACE WHICH ADVERTISES TO THE PUBLIC AT LARGE  
3 OR ANY SEGMENT THEREOF THAT IT WILL PROVIDE BEDS, SANITARY  
4 FACILITIES OR OTHER SPACE FOR A TEMPORARY PERIOD TO MEMBERS OF  
5 THE PUBLIC AT LARGE; OR ANY PLACE RECOGNIZED AS A HOSTELRY. THE  
6 TERM DOES NOT INCLUDE ANY PORTION OF A FACILITY THAT IS DEVOTED  
7 TO PERSONS WHO HAVE AN ESTABLISHED PERMANENT RESIDENCE OR A  
8 COLLEGE OR UNIVERSITY STUDENT RESIDENCE HALL OR ANY PRIVATE  
9 CAMPGROUND OR ANY CABINS, PUBLIC CAMPGROUNDS OR OTHER FACILITIES  
10 LOCATED ON STATE LAND.

11 "OPERATOR." ANY INDIVIDUAL, PARTNERSHIP, NONPROFIT OR  
12 PROFIT-MAKING ASSOCIATION OR CORPORATION OR OTHER PERSON OR  
13 GROUP OF PERSONS WHO MAINTAINS, OPERATES, MANAGES, OWNS, HAS  
14 CUSTODY OF OR OTHERWISE POSSESSES THE RIGHT TO RENT OR LEASES  
15 OVERNIGHT ACCOMMODATION IN A BUILDING TO THE PUBLIC FOR  
16 CONSIDERATION.

17 "PATRON." ANY PERSON WHO PAYS THE CONSIDERATION FOR THE  
18 OCCUPANCY OF A ROOM OR ROOMS IN A HOTEL.

19 "PERMANENT RESIDENT." ANY PERSON WHO HAS OCCUPIED OR HAS THE  
20 RIGHT TO OCCUPY A ROOM OR ROOMS IN A HOTEL AS A PATRON OTHERWISE  
21 FOR A PERIOD EXCEEDING 30 CONSECUTIVE DAYS.

22 "ROOM." A SPACE IN A BUILDING SET ASIDE FOR USE AND  
23 OCCUPANCY BY PATRONS, OR OTHERWISE, FOR CONSIDERATION, HAVING AT  
24 LEAST ONE BED OR OTHER SLEEPING ACCOMMODATIONS PROVIDED.

25 "TEMPORARY RESIDENT." ANY PERSON WHO HAS OCCUPIED OR HAS THE  
26 RIGHT TO OCCUPY A ROOM OR ROOMS IN A HOTEL AS A PATRON OTHERWISE  
27 FOR A PERIOD OF TIME NOT EXCEEDING 30 CONSECUTIVE DAYS.

28 "TRANSACTION." THE ACTIVITY INVOLVING THE OBTAINING BY A  
29 TRANSIENT OR PATRON OF THE USE OR OCCUPANCY OF A HOTEL ROOM FROM  
30 WHICH CONSIDERATION EMANATES TO THE OPERATOR UNDER AN EXPRESSED

1 OR IMPLIED CONTRACT.

2 "TRANSIENT." ANY PERSON WHO OBTAINS AN ACCOMMODATION IN ANY  
3 HOTEL FOR THE PERSON BY MEANS OF REGISTERING AT THE FACILITY FOR  
4 THE TEMPORARY OCCUPANCY OF A ROOM FOR THE PERSONAL USE OF THAT  
5 PERSON BY PAYING TO THE OPERATOR OF THE FACILITY A FEE IN  
6 CONSIDERATION THEREFOR.

7 § ~~8724~~ 8726. Hotel room rental tax in certain other fourth <--  
8 class counties.

9 (a) General rule.--A county may, by ordinance, impose a tax  
10 which shall be known as a hotel room rental tax on the  
11 consideration received by each operator of a hotel within the  
12 county from each transaction of renting a room or rooms to  
13 accommodate transients. The tax shall be collected by the  
14 operator from the patron of the room and paid over to the county  
15 where the hotel is located as provided under this section.

16 (b) Rate.--The rate of the tax imposed under this section  
17 shall not exceed 2%, in addition to the tax imposed under  
18 section 1770.6 of the act of August 9, 1955 (P.L.323, No.130),  
19 known as The County Code.

20 (c) Collection.--The treasurer of each county electing to  
21 impose the tax authorized under this section shall collect the  
22 tax and deposit the revenues received from the tax in a special  
23 fund established for that purpose. Subsequent to the deduction  
24 for administrative costs established in subsection (f), the  
25 county shall distribute to a recognized tourist promotion agency  
26 for the county all revenues received from the tax not later than  
27 60 days after receipt of the tax revenues.

28 (d) Tax year.--Each tax year for any tax imposed under this  
29 section shall run concurrently with the county's fiscal year.

30 (e) (Reserved).

1 (f) Administrative fee.--For the purposes of defraying costs  
2 associated with the collection of the tax imposed under this  
3 section and otherwise performing its obligations under this  
4 section, a county is hereby authorized to deduct and retain an  
5 administrative fee from the taxes collected hereunder. Such  
6 administrative fee shall be established by the county but shall  
7 not exceed in any tax year the lesser of:

8 (1) two percent of all taxes collected under this  
9 section; or

10 (2) fifty thousand dollars, which amount shall be  
11 adjusted annually, beginning one year after the date of  
12 enactment, by the the percentage growth in the Consumer Price  
13 Index for All Urban Consumers as determined by the United  
14 States Department of Labor.

15 (g) Definitions.--As used in this section, the following  
16 words and phrases shall have the meanings given to them in this  
17 subsection unless the context clearly indicates otherwise:

18 "Consideration." Receipts, fees, charges, rentals, leases,  
19 cash, credits, property of any kind or nature or other payment  
20 received by operators in exchange for or in consideration of the  
21 use or occupancy by a transient of a room or rooms in a hotel  
22 for a temporary period.

23 "County." Any county of the fourth class having a population  
24 during the 2010 Federal decennial census in excess of 205,000  
25 residents but less than 210,000 residents.

26 "Hotel." A hotel, motel, inn, guesthouse or other structure  
27 which holds itself out by any means, including advertising,  
28 license, registration with an innkeepers' group, convention  
29 listing association, travel publication or similar association  
30 or with a government agency, as being available to provide

1 overnight lodging for consideration to persons seeking temporary  
2 accommodation; any place which advertises to the public at large  
3 or any segment thereof that it will provide beds, sanitary  
4 facilities or other space for a temporary period to members of  
5 the public at large; or any place recognized as a hostelry. The  
6 term does not include a college or university student residence  
7 hall or any private campground or any cabins, public campgrounds  
8 or other facilities located on State land.

9 "Operator." Any individual, partnership, nonprofit or  
10 profit-making association or corporation or other person or  
11 group of persons who maintain, operate, manage, own, have  
12 custody of or otherwise possess the right to rent or lease  
13 overnight accommodations in a building to the public for  
14 consideration.

15 "Patron." Any person who pays the consideration for the  
16 occupancy of a room or rooms in a hotel.

17 "Room." A space in a building set aside for use and  
18 occupancy by patrons, or otherwise, for consideration, having at  
19 least one bed or other sleeping accommodations provided.

20 "Transaction." The activity involving the obtaining by a  
21 transient or patron of the use or occupancy of a hotel room from  
22 which consideration emanates to the operator under an expressed  
23 or implied contract.

24 "Transient." Any person who obtains an accommodation in any  
25 hotel for the person by means of registering at the facility for  
26 the temporary occupancy of a room for the personal use of that  
27 person by paying to the operator of the facility a fee in  
28 consideration therefor.

29 § ~~8725~~ 8727. Local option cigarette tax in school districts of <--  
30 the first class.

1 (a) Authorization.--The following shall apply:

2 (1) A school district may, if authorized by ordinance of  
3 the governing body of a city of the first class adopted prior  
4 to or after the effective date of this section, impose and  
5 assess an excise tax upon the sale or possession of  
6 cigarettes within the school district at a rate of 10¢ per  
7 cigarette. Only one sale shall be taxable and used in  
8 computing the amount of tax due, whether the sale is of  
9 individual cigarettes, packages, cartons or cases.

10 (2) The governing body of the city of the first class  
11 and school district may amend, respectively, the ordinance  
12 authorizing the imposition of the tax and the resolution  
13 imposing the tax authorized by this section to reflect the  
14 provisions of this section in the fiscal year in which this  
15 section takes effect.

16 (b) Exception.--The tax authorized under subsection (a) may  
17 not be levied upon the possession or sale of any cigarette that  
18 is exempt from, or which is otherwise not subject to, levy under  
19 Article XII of the Tax Reform Code and the regulations  
20 promulgated under that article.

21 (c) Collection.--

22 (1) The tax authorized under subsection (a) shall be  
23 collected and remitted to the department in the same manner  
24 as the tax imposed under Article XII of the Tax Reform Code.  
25 The regulations promulgated under section 1291 of the Tax  
26 Reform Code shall be applicable to the tax authorized under  
27 subsection (a) insofar as the regulations are consistent with  
28 this section.

29 (2) Unless the department promulgates regulations to the  
30 contrary under subsection (d), any stamp affixed under

1 section 1215 of the Tax Reform Code shall also reflect  
2 payment of any tax authorized under this section.

3 (3) The provisions of section 1216 of the Tax Reform  
4 Code shall not apply to any tax authorized under this  
5 section.

6 (d) Administration.--The department shall administer and  
7 enforce the provisions of this section and may promulgate and  
8 enforce any rules and regulations not inconsistent with the  
9 provisions of this section.

10 (e) Reimbursement of costs.--From the tax collected under  
11 this section, the department may retain a sum of the costs of  
12 collection and shall, on a monthly basis, notify in writing the  
13 school district imposing the tax of the sum retained and the  
14 costs of collection under this section. Annually, the department  
15 shall estimate its cost of collection under this section for the  
16 next succeeding fiscal year and shall provide the estimate to  
17 the school district.

18 (f) Certified copy of resolution to department.--A school  
19 district that adopts a resolution:

20 (1) To impose the tax authorized under this section or  
21 to change the rate of the tax shall provide a certified copy  
22 of the resolution to the department not later than 20 days  
23 prior to the effective date of the tax or change to the tax.

24 (2) To repeal the tax authorized under this section  
25 shall provide a certified copy of the resolution to the  
26 department not later than 30 days prior to the effective date  
27 of the repeal.

28 (g) Effective date.--The effective date of any tax  
29 authorized under this section or change to the tax shall be no  
30 earlier than 30 days after the adoption of the resolution or

1 ordinance.

2 (h) Local Cigarette Tax Fund.--

3 (1) The Local Cigarette Tax Fund is established in the  
4 State Treasury and the State Treasurer shall be custodian of  
5 the fund. The fund shall be subject to the provisions of law  
6 applicable to funds listed in section 302 of the act of April  
7 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

8 (2) The tax imposed under subsection (a) shall be  
9 received by the department and paid to the State Treasurer  
10 and, along with interest and penalties, less any collection  
11 costs allowed under this section and any refunds and credits  
12 paid, shall be credited to the fund not less frequently than  
13 every two weeks. During any period prior to the credit of  
14 moneys to the fund, interest earned on moneys received by the  
15 department and paid to the State Treasurer under this section  
16 shall be deposited into the fund.

17 (3) Moneys credited to the fund shall be property of the  
18 school district and shall be distributed as provided in this  
19 section. The money in the fund, including, but not limited  
20 to, money credited to the fund under this section, prior year  
21 encumbrances and the interest earned thereon, shall not lapse  
22 or be transferred to any other fund, but shall remain in the  
23 fund and must be used exclusively as provided in this  
24 section.

25 (4) Pending their disbursement to the school district,  
26 moneys received on behalf of or deposited into the fund shall  
27 be invested or reinvested as are other funds in the custody  
28 of the State Treasurer in the manner provided by law. The  
29 earnings received from the investment or deposit of the funds  
30 shall be credited to the fund.

1 (i) Disbursement to school district.--On or before the 10th  
2 day of every month, the State Treasurer shall disburse to the  
3 school district imposing the tax under this section the total  
4 amount of moneys which are, as of the last day of the previous  
5 month, contained in the fund.

6 (J) PROHIBITION.--MONEY FROM A TAX IMPOSED UNDER THIS <--  
7 SECTION MAY NOT BE USED FOR THE ISSUANCE OR REPAYMENT OF BONDS.

8 (K) EXPIRATION.--THIS SECTION SHALL EXPIRE JUNE 30, 2019.

9 ~~(j)~~ (L) Definitions.--As used in this section, the following <--  
10 words and phrases shall have the meanings given to them in this  
11 subsection unless the context clearly indicates otherwise:

12 "Cigarette." As defined in section 1201 of the Tax Reform  
13 Code.

14 "Department." The Department of Revenue of the Commonwealth.

15 "Fund." The Local Cigarette Tax Fund established under this  
16 section.

17 "Sale." As defined in section 1201 of the Tax Reform Code.

18 "School district." A school district of the first class  
19 coterminous with a city of the first class.

20 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),  
21 known as the Tax Reform Code of 1971.

22 § ~~8726~~ 8728. Local sales tax revenues in cities of the first <--  
23 class.

24 Notwithstanding the provisions of section 696 of the act of  
25 March 10, 1949 (P.L.30, No.14), known as the Public School Code  
26 of 1949, an increase in grants to a school district of the first  
27 class by a city of the first class based on debt service to be  
28 paid as authorized under section 201-B(f)(1) of the act of March  
29 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
30 shall not require a comparable increase in grants by the city in



1 subsequent years.

2 ~~Section 5. This act shall take effect as follows:~~ <--

3 ~~(1) The addition of 53 Pa.C.S. §§ 8722, 8724, 8725 and~~  
4 ~~8726 shall take effect immediately.~~

5 ~~(1.1) The addition of 53 Pa.C.S. § 303 shall take effect~~  
6 ~~in 45 days.~~

7 ~~(2) This section shall take effect immediately.~~

8 ~~(3) The remainder of this act shall take effect in 60-~~  
9 ~~days.~~

10 SECTION 4. REPEALS ARE AS FOLLOWS: <--

11 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
12 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF 53  
13 PA.C.S. CH. 58.

14 (2) ARTICLE XVIII-C OF THE ACT OF MARCH 4, 1971 (P.L.6,  
15 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS REPEALED.

16 (3) SECTION 1770.6(F) OF THE ACT OF AUGUST 9, 1955  
17 (P.L.323, NO.130), KNOWN AS THE COUNTY CODE, IS REPEALED TO  
18 THE EXTENT THAT IT IS INCONSISTENT WITH THE ADDITION OF 53  
19 PA.C.S. § 8724.

20 SECTION 5. THE ADDITION OF 53 PA.C.S. CH. 58 IS A  
21 CONTINUATION OF ARTICLE XVIII-C OF ACT OF MARCH 4, 1971 (P.L.6,  
22 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. THE FOLLOWING  
23 APPLY:

24 (1) EXCEPT AS OTHERWISE PROVIDED IN 53 PA.C.S. CH. 58,  
25 ALL ACTIVITIES INITIATED UNDER ARTICLE XVIII-C OF THE TAX  
26 REFORM CODE OF 1971 SHALL CONTINUE AND REMAIN IN FULL FORCE  
27 AND EFFECT AND MAY BE COMPLETED UNDER 53 PA.C.S. CH. 58.  
28 ORDERS, REGULATIONS, RULES AND DECISIONS WHICH WERE MADE  
29 UNDER ARTICLE XVIII-C OF THE TAX REFORM CODE OF 1971 AND  
30 WHICH ARE IN EFFECT ON THE EFFECTIVE DATE OF SECTION 2(2) OF

1 THIS ACT SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL REVOKED,  
2 VACATED OR MODIFIED UNDER 53 PA.C.S. CH. 58. CONTRACTS,  
3 OBLIGATIONS AND COLLECTIVE BARGAINING AGREEMENTS ENTERED INTO  
4 UNDER ARTICLE XVIII-C OF THE TAX REFORM CODE OF 1971 ARE NOT  
5 AFFECTED NOR IMPAIRED BY THE REPEAL OF ARTICLE XVIII-C OF THE  
6 TAX REFORM CODE OF 1971.

7 (2) EXCEPT AS SET FORTH IN PARAGRAPH (3), ANY DIFFERENCE  
8 IN LANGUAGE BETWEEN 53 PA.C.S. CH. 58 AND ARTICLE XVIII-C OF  
9 THE TAX REFORM CODE OF 1971 IS INTENDED ONLY TO CONFORM TO  
10 THE STYLE OF THE PENNSYLVANIA CONSOLIDATED STATUTES AND IS  
11 NOT INTENDED TO CHANGE OR AFFECT THE LEGISLATIVE INTENT,  
12 JUDICIAL CONSTRUCTION OR ADMINISTRATION AND IMPLEMENTATION OF  
13 ARTICLE XVIII-C OF THE TAX REFORM CODE OF 1971.

14 (3) PARAGRAPH (2) DOES NOT APPLY TO THE ADDITION OF THE  
15 FOLLOWING PROVISIONS OF TITLE 53:

16 (I) THE ADDITION OF THE DEFINITIONS OF "CONTRACTING  
17 AUTHORITY" AND "DISTRESSED CITY" IN SECTION 5802.

18 (II) SECTION 5803(A), (B), (C) AND (D).

19 (III) SECTION 5804.

20 (IV) SECTION 5805(C), (D) AND (G).

21 (V) SECTION 5806.

22 (VI) SECTION 5807(B), (C), (D), (E), (F), (G) AND  
23 (H).

24 (VII) SECTION 5808(D).

25 (VIII) SECTION 5810.

26 (IX) SECTION 5811(B) AND (C).

27 (X) SECTION 5813.

28 (XI) SECTION 5814(A) AND (D).

29 (XII) SECTION 5815(A) AND (C).

30 (XIII) SECTION 5816.

1 (XIV) SECTION 5818.

2 (XV) SECTION 5820.

3 (XVI) SECTION 5821.

4 SECTION 6. THE PROVISIONS OF THIS ACT ARE SEVERABLE. IF ANY  
5 PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON OR  
6 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY SHALL NOT AFFECT  
7 OTHER PROVISIONS OR APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN  
8 EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION.

9 SECTION 7. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

10 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT  
11 IMMEDIATELY:

12 (I) THE ADDITION OF 53 PA.C.S. CH. 58.

13 (II) THE ADDITION OF 53 PA.C.S. §§ 8722, 8723, 8724,  
14 8725, 8725.1, 8726, 8727 AND 8728.

15 (III) SECTION 4 OF THIS ACT.

16 (IV) SECTION 5 OF THIS ACT.

17 (V) SECTION 6 OF THIS ACT.

18 (VI) THIS SECTION.

19 (2) THE ADDITION OF 53 PA.C.S. § 303 SHALL TAKE EFFECT  
20 IN 45 DAYS.

21 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60  
22 DAYS.