
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1227 Session of
2014

INTRODUCED BY SCHWANK, BLAKE, TEPLITZ, WILEY, FARNESE, FONTANA,
YUDICHAK, SOLOBAY, SMUCKER, HUGHES, SMITH, BOSCOLA, COSTA,
VULAKOVICH AND KASUNIC, JANUARY 16, 2014

REFERRED TO FINANCE, JANUARY 16, 2014

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for the definitions of "city,"
11 "contracting authority" and "pilot zone" and for
12 establishment of contracting authority; providing for number
13 of authorized zones; and further providing for approval.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The definitions of "city," "contracting
17 authority" and "pilot zone" in section 1802-C of the act of
18 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
19 1971, added July 9, 2013 (P.L.270, No.52), are amended to read:
20 Section 1802-C. Definitions.

21 The following words and phrases when used in this article
22 shall have the meanings given to them in this section unless the
23 context clearly indicates otherwise:

1 * * *

2 "City." A city of the second class A or third class [with a
3 population of at least 30,000 based on the most recent Federal
4 decennial census. The term shall not include a city that has had
5 a receiver appointed under Chapter 7 of the act of July 10, 1987
6 (P.L.246, No.47), known as the Municipalities Financial Recovery
7 Act]. The term includes a city that is a distressed city under
8 the act of July 10, 1987 (P.L.246, No.47), known as the
9 Municipalities Financial Recovery Act, and a city that has had a
10 receiver appointed under Chapter 7 of the Municipalities
11 Financial Recovery Act.

12 * * *

13 "Contracting authority." An authority established under 53
14 Pa.C.S. Ch. 56 (relating to municipal authorities) by a city or
15 [home rule] county for the purpose of:

- 16 (1) designating zones; and
17 (2) engaging in the construction, including related site
18 preparation and infrastructure, reconstruction or renovation
19 of facilities.

20 * * *

21 "Pilot zone." An area of not more than 130 acres designated
22 by the contracting authority following application and approval
23 by the Department of Community and Economic Development, the
24 office and the department which will provide economic
25 development and job creation within a township or borough, with
26 a population of at least 7,000 based on the most recent Federal
27 decennial census.

28 * * *

29 Section 2. Section 1803-C of the act, added July 9, 2013
30 (P.L.270, No.52), is amended to read:

1 Section 1803-C. Establishment of contracting authority.

2 (a) Cities.--[Except as set forth in subsection (b), a]A
3 city may establish a contracting authority to designate a zone
4 under this article.

5 (b) Distressed cities.--A city that is a distressed city
6 under the act of July 10, 1987 (P.L.246, No.47), known as the
7 Municipalities Financial Recovery Act, and is located in a
8 county of the second class A that is a home rule county may not
9 establish a contracting authority under this article.

10 (c) Counties.--[The home rule county]A county of the second
11 class A that is a home rule county and where a distressed city
12 under the Municipalities Financial Recovery Act is located may
13 establish a contracting authority to designate a zone under this
14 article within the distressed city.

15 Section 3. The act is amended by adding a section to read:
16 Section 1803.1-C. Number of authorized zones.

17 The department shall authorize 15 zones as follows:

18 (1) four in cities with populations above 60,000 based
19 on the most recent Federal decennial census;

20 (2) four in cities with populations above 20,000, but
21 not more than 60,000, based on the most recent Federal
22 decennial census;

23 (3) four in cities with populations up to 20,000 based
24 on the most recent Federal decennial census; and

25 (4) three additional cities regardless of population
26 category if the city otherwise meets the requirements of this
27 article.

28 Section 4. Section 1804-C(c) of the act, added July 9, 2013
29 (P.L.270, No.52), is amended to read:

30 Section 1804-C. Approval.

1 * * *

2 (c) Approval schedule.--The Department of Community and
3 Economic Development shall develop a schedule for the approval
4 of applications under this section as follows:

5 (1) Following the effective date of this paragraph,
6 applications for [two] 15 initial zones may be approved.
7 Priority for approval shall be given to applications
8 submitted on behalf of a city that is a distressed city under
9 the act of July 10, 1987 (P.L.246, No.47), known as the
10 Municipalities Financial Recovery Act, or a city that has had
11 a receiver appointed under Chapter 7 of the Municipalities
12 Financial Recovery Act.

13 (2) Beginning in 2016, applications for two additional
14 zones may be approved each calendar year[.] regardless of
15 population. Priority for approval shall be given to
16 applications submitted on behalf of a city that is a
17 distressed city under the Municipalities Financial Recovery
18 Act or a city that has had a receiver appointed under Chapter
19 7 of the Municipalities Financial Recovery Act.

20 (3) Following the effective date of this paragraph, the
21 Department of Community and Economic Development, the office
22 and the department, may approve [one pilot zone] not more
23 than five pilot zones.

24 (4) A city may not be approved for more than one zone.
25 A township or borough may not be approved for more than one
26 pilot zone. A city that established a neighborhood
27 improvement zone under Article XIX-B shall be eligible to
28 apply for or be approved for a zone under this article.

29 * * *

30 Section 5. This act shall take effect in 60 days.