

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1058 Session of
2015

INTRODUCED BY HARHART, McNEILL, LONGIETTI, MILLARD, SCHLOSSBERG,
MARSICO, MURT, HARHAI AND READSHAW, APRIL 27, 2015

REFERRED TO COMMITTEE ON COMMERCE, APRIL 27, 2015

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," in city revitalization and improvement zones,
11 further providing for definitions, for establishment of
12 contracting authority and for transfers.

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

15 Section 1. The definitions of "contracting authority" and
16 "pilot zone" in section 1802-C of the act of March 4, 1971
17 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
18 October 31, 2014 (P.L.2929, No.194), are amended and the section
19 is amended by adding definitions 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 "Contracting authority." [An authority established under 53
3 Pa.C.S. Ch. 56 (relating to municipal authorities) by a city,
4 borough, township or home rule county for the purpose of:

5 (1) designating zones; and

6 (2) engaging in the construction, including related site
7 preparation and infrastructure, reconstruction or renovation
8 of facilities.] A new or existing authority established under
9 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or
10 other Commonwealth statute. The term includes:

11 (1) A new authority established by a city, home rule
12 county, qualifying municipality or qualifying contiguous
13 municipalities to designate city revitalization and
14 improvement zones or pilot zones, issue bonds and engage in
15 the financing, construction, related site preparation and
16 infrastructure, reconstruction or renovation of facilities in
17 accordance with this article.

18 (2) An existing authority designated by a city, home
19 rule county, qualifying municipality or qualifying contiguous
20 municipalities, if the authority meets all the requirements
21 of this article and amends its articles of incorporation to
22 include the purposes and powers granted to a contracting
23 authority in paragraph (1) and maintains separate accounts
24 and records for the zone.

25 * * *

26 "Pilot zone." An area of not more than 130 acres designated
27 by the contracting authority following application and approval
28 by the Department of Community and Economic Development, the
29 office and the department which will provide economic
30 development and job creation within a [township or borough, with

1 a population of at least 7,000 based on the most recent Federal
2 decennial census] qualifying municipality or qualifying
3 contiguous municipalities.

4 * * *

5 "Qualifying contiguous municipality." Two or three
6 contiguous townships or boroughs, which have a combined
7 population of at least 4,000 based on the most recent Federal
8 decennial census.

9 "Qualifying municipality." A township or borough, with a
10 population of at least 4,000 based on the most recent Federal
11 decennial census.

12 * * *

13 Section 2. Section 1803-C of the act is amended by adding
14 subsections to read:

15 Section 1803-C. Establishment of contracting authority.

16 * * *

17 (d) Other qualifying municipalities.--A qualifying
18 municipality may establish or designate a contracting authority
19 to designate a pilot zone within the qualifying municipality.

20 (e) Qualifying contiguous municipalities.--Qualifying
21 contiguous municipalities may establish or designate a
22 contracting authority to designate a pilot zone within the
23 qualifying contiguous municipalities. If a pilot zone will
24 include acreage in more than one municipality, the application
25 under section 1804-C(a) shall include a copy of an ordinance of
26 the governing body of each municipality where part of the zone
27 will be located authorizing the contracting authority to
28 exercise the powers and duties granted to it under this article.

29 Section 3. Section 1812-C(c)(5) of the act, added July 9,
30 2013 (P.L.270, No.52), is amended to read:

1 Section 1812-C. Transfers.

2 * * *

3 (c) Notification.--The following shall apply:

4 * * *

5 (5) Money transferred under paragraph (3) shall be
6 repaid to the General Fund by the contracting authority. If
7 money transferred under paragraph (3) is not repaid to the
8 General Fund by the contracting authority by the date of the
9 final payment on the bonds originally issued under section
10 1813-C(a)(1), the city [or], county, qualifying municipality
11 or qualifying contiguous municipality which established or
12 designated the contracting authority shall pay the money not
13 repaid to the General Fund plus an additional penalty of 10%
14 of the amount outstanding on the date of the final payment on
15 the bonds originally issued under section 1813-C(a)(1).

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