

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1490 Session of 2015

INTRODUCED BY PETRI, CALTAGIRONE, COHEN, D. COSTA, DRISCOLL, JAMES, LONGIETTI, MURT, PASHINSKI, SAYLOR, YOUNGBLOOD, SCHWEYER, NEILSON AND SCHREIBER, AUGUST 13, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, NOVEMBER 17, 2015

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, providing for cultural improvement
3 district advisory committees and for neighborhood improvement
4 districts; and repealing the Neighborhood Improvement
5 District Act.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 53 of the Pennsylvania Consolidated
9 Statutes is amended by adding a chapter to read:

10 CHAPTER 62

11 NEIGHBORHOOD IMPROVEMENT DISTRICTS

12 Subchapter

13 A. Preliminary Provisions

14 B. Cultural Improvement District Advisory Committees

15 C. Neighborhood Improvement Districts

16 SUBCHAPTER A

17 PRELIMINARY PROVISIONS

18 Sec.

1 6201. Scope of chapter.

2 6202. CITIES OF THE FIRST CLASS. <--

3 § 6201. Scope of chapter.

4 This chapter relates to neighborhood improvement districts.

5 § 6202. CITIES OF THE FIRST CLASS. <--

6 A CITY OF THE FIRST CLASS MAY ESTABLISH, IN CONJUNCTION WITH  
7 SUBCHAPTER B, A CULTURAL IMPROVEMENT DISTRICT IN THE SAME MANNER  
8 AS A NEIGHBORHOOD IMPROVEMENT DISTRICT UNDER THE ACT OF DECEMBER  
9 21, 1998 (P.L.1307, NO.174), KNOWN AS THE COMMUNITY AND ECONOMIC  
10 IMPROVEMENT ACT.

11 SUBCHAPTER B

12 CULTURAL IMPROVEMENT DISTRICT

13 ADVISORY COMMITTEES

14 Sec.

15 6211. Legislative findings.

16 6212. Definitions.

17 6213. Cultural improvement district advisory committees.

18 6214. Programs to consider.

19 6215. Local taxing options.

20 6216. Authorization of taxes.

21 § 6211. Legislative findings.

22 The General Assembly finds that:

23 (1) Municipalities across this Commonwealth contain  
24 valuable and distinct geographical areas comprised  
25 predominantly of real property containing institutions of  
26 cultural or historical significance and the businesses and  
27 neighborhoods which directly benefit from such institutions.

28 (2) Many of these municipalities are enriched by  
29 educational, social or recreational opportunities that are  
30 established or supported by these geographical areas of

1 cultural or historical significance.

2 (3) Regions, municipalities, school districts, residents  
3 and businesses benefit directly and indirectly by the  
4 availability of these educational, social or recreational  
5 opportunities.

6 (4) Despite their inherent value to the surrounding  
7 regions and municipalities, the public, private and not-for-  
8 profit entities which own or operate the institutions  
9 comprising these areas of cultural or historical significance  
10 frequently face financial challenges to meet the necessary  
11 costs of operation while making the benefits to the public  
12 broadly available.

13 (5) Although many programs have been established by the  
14 General Assembly that may support the ongoing availability  
15 and development of such public benefits and the preservation  
16 of such areas and institutions of cultural or historical  
17 significance, local governments may nevertheless be unaware  
18 of economic development programs that could support these  
19 areas and institutions.

20 (6) It is therefore necessary to provide local  
21 governments with a process to appoint a committee to explore  
22 the utilization of available economic development programs to  
23 support and develop such areas and institutions of cultural  
24 or historical significance.

25 § 6212. Definitions.

26 The following words and phrases when used in this subchapter  
27 shall have the meanings given to them in this section unless the  
28 context clearly indicates otherwise:

29 "Committee." A committee established under section 6213  
30 (relating to cultural improvement district advisory committees).

1 "Cultural improvement district." The term shall have the  
2 same meaning given to it in Subchapter C (relating to  
3 neighborhood improvement districts).

4 "Governing body." A city council, borough council,  
5 incorporated town council, board of township commissioners or  
6 board of township supervisors, the governing council of any unit  
7 of government established and existing under Subpart E of Part  
8 III (relating to home rule and optional plan government) or the  
9 governing council of any similar general purpose unit of  
10 government established by statute.

11 "Municipality." A city, borough, incorporated town, township  
12 or home rule municipality.

13 "Neighborhood improvement district." The term shall have the  
14 same meaning as given to it in Subchapter C (relating to  
15 neighborhood improvement districts) AND, IN RELATION TO A CITY <--  
16 OF THE FIRST CLASS, THE ACT OF DECEMBER 21, 1998 (P.L.1307,  
17 NO.174), KNOWN AS THE COMMUNITY AND ECONOMIC IMPROVEMENT ACT.  
18 § 6213. Cultural improvement district advisory committees.

19 (a) Establishment.--By ordinance, the governing body of a  
20 municipality may establish a cultural improvement district  
21 advisory committee under this subchapter. The members of the  
22 committee shall be appointed by a majority vote of a quorum of  
23 the governing body and shall serve at the pleasure of the  
24 governing body. The committee shall be comprised of:

25 (1) Not less than five but not more than nine members as  
26 specified in the ordinance.

27 (2) Representatives of residents, nonprofit  
28 organizations, institutions and business owners within the  
29 municipality, who shall be representative of, and reside or  
30 work in, the geographic area within and surrounding

1 institutions of cultural and historical significance in the  
2 municipality.

3 (b) Compensation prohibited.--Members shall serve without  
4 compensation, but may be reimbursed for reasonable expenses at  
5 the governing body's discretion, and as specified in the  
6 ordinance.

7 (c) Duties.--The committee shall have the following duties:

8 (1) Hold public meetings and consider:

9 (i) Whether the municipality may benefit from any  
10 economic development program or other program under the  
11 laws of this Commonwealth or the United States, which  
12 could be used to enhance or support the areas and  
13 institutions of cultural or historical significance  
14 existing within the municipality. The programs shall  
15 include, but need not be limited to, the programs  
16 identified in section 6214 (relating to programs to  
17 consider).

18 (ii) Whether the municipality may benefit from any  
19 programs of nonprofit organizations, foundations, trusts  
20 or similar entities for the purposes of this subchapter.

21 (iii) Whether the governing body of the municipality  
22 should enact a tax under section 6215 (relating to local  
23 taxing options) to support a district established by  
24 Subchapter C (relating to neighborhood improvement  
25 districts)- OR, IN A CITY OF THE FIRST CLASS, SECTION <--  
26 6202 (RELATING TO CITIES OF THE FIRST CLASS) AND THE ACT  
27 OF DECEMBER 21, 1998 (P.L.1307, NO.174), KNOWN AS THE  
28 COMMUNITY AND ECONOMIC IMPROVEMENT ACT.

29 (2) Produce a report that contains its findings and  
30 recommendations to the governing body of the municipality

1 within 180 days of the municipality's creation of the  
2 committee.

3 (3) Provide additional advice to the governing body as  
4 requested by the governing body.

5 § 6214. Programs to consider.

6 A committee shall consider whether the following programs and  
7 any others of benefit could be utilized to enhance or support an  
8 area or institution of cultural or historical significance  
9 within the municipality:

10 (1) The establishment of a cultural improvement district  
11 under Subchapter C (relating to neighborhood improvement  
12 districts)- OR, IN A CITY OF THE FIRST CLASS, SECTION 6202 <--  
13 (RELATING TO CITIES OF THE FIRST CLASS) AND THE ACT OF  
14 DECEMBER 21, 1998 (P.L.1307, NO.174), KNOWN AS THE COMMUNITY  
15 AND ECONOMIC IMPROVEMENT ACT.

16 (2) The creation of a tax increment financing district  
17 to enhance the area of cultural or historical significance in  
18 accordance with the act of July 11, 1990 (P.L.465, No.113),  
19 known as the Tax Increment Financing Act.

20 (3) Tax exemptions for the improvement of deteriorated  
21 properties under the act of December 1, 1977 (P.L.237,  
22 No.76), known as the Local Economic Revitalization Tax  
23 Assistance Act.

24 (4) The creation of a historic district to protect  
25 historical areas within or adjacent to the area of cultural  
26 significance in accordance with the act of June 13, 1961  
27 (P.L.282, No.167), entitled "An act authorizing counties,  
28 cities, boroughs, incorporated towns and townships to  
29 establish historic districts within their geographic  
30 boundaries; providing for the appointment of Boards of

1 Historical Architectural Review; empowering governing bodies  
2 of political subdivisions to protect the distinctive  
3 historical character of these districts and to regulate the  
4 erection, reconstruction, alteration, restoration, demolition  
5 or razing of buildings within the historic districts."

6 (5) Grants, loans and tax credits through:

7 (i) The Keystone Communities Program and other  
8 programs for the improvement of neighborhoods  
9 administered by the Department of Community and Economic  
10 Development.

11 (ii) The Pennsylvania Historical and Museum  
12 Commission.

13 § 6215. Local taxing options.

14 ~~(a) Authorization to municipalities.~~ <--

15 ~~(1) Where recommended by a committee, or by an~~  
16 ~~established neighborhood improvement district management~~  
17 ~~association, designated and established by the municipality~~  
18 ~~under Subchapter C (relating to neighborhood improvement~~  
19 ~~districts) a municipality may by ordinance impose, in~~  
20 ~~addition to the statutory rate limits on the general purpose~~  
21 ~~levy~~

22 (A) AUTHORIZATION TO MUNICIPALITIES.--WHERE RECOMMENDED BY A <--  
23 COMMITTEE, OR BY AN ESTABLISHED NEIGHBORHOOD IMPROVEMENT  
24 DISTRICT MANAGEMENT ASSOCIATION, DESIGNATED AND ESTABLISHED BY  
25 THE MUNICIPALITY UNDER SUBCHAPTER C (RELATING TO NEIGHBORHOOD  
26 IMPROVEMENT DISTRICTS), OR, IN A CITY OF THE FIRST CLASS,  
27 SECTION 6202 (RELATING TO CITIES OF THE FIRST CLASS) AND THE ACT  
28 OF DECEMBER 21, 1998 (P.L.1307, NO.174), KNOWN AS THE COMMUNITY  
29 AND ECONOMIC IMPROVEMENT ACT, A MUNICIPALITY MAY IMPOSE, BY  
30 ORDINANCE, AND SUBJECT TO THE PROVISIONS OF SECTION 6216

1 (RELATING TO AUTHORIZATION OF TAXES), ONE OF THE FOLLOWING:

2 (1) IN ADDITION TO THE STATUTORY RATE LIMITS ON THE  
3 GENERAL-PURPOSE-LEVY real estate taxes enumerated in the  
4 municipal code applicable to the municipality, a cultural  
5 improvement district tax on real property not exceeding the  
6 millage authorized by referendum under section 6216 ~~(relating~~<--  
7 to authorization of taxes).

8 (2) In the alternative, the municipality may by <--  
9 ordinance impose, in addition to the earned income tax rate  
10 limit enumerated in the act of December 31, 1965 (P.L.1257,  
11 No.511), known as The Local Tax Enabling Act, a cultural  
12 improvement district tax on the earned income of the  
13 residents of the municipality not exceeding the rate  
14 authorized by referendum under section 6216.

15 ~~(3) Revenue from the levy may be used in one or more of~~ <--  
16 the following manners:

17 ~~(i) The revenue may be appropriated for the~~

18 (B) USE OF REVENUE.--REVENUE FROM THE LEVY MAY BE USED IN <--  
19 ONE OR MORE OF THE FOLLOWING MANNERS:

20 (1) THE REVENUE MAY BE APPROPRIATED FOR THE  
21 establishment or support of a cultural improvement district,  
22 which has been, or would be, established under, and for any  
23 purpose provided for under sections 6224 (relating to powers  
24 of municipal corporation), 6227 (relating to powers of  
25 neighborhood improvement district management association) and  
26 6228 (relating to additional powers of neighborhood  
27 improvement district management association in a cultural  
28 district).

29 ~~(ii) The revenue may be deposited into a cultural~~ <--

30 (2) THE REVENUE MAY BE DEPOSITED INTO A CULTURAL <--

1 improvement district maintenance fund, established by the  
2 municipality, to develop, improve, design and maintain  
3 property within the cultural improvement district. In no case  
4 may the municipality deposit in excess of 25% of the revenue  
5 collected from the levy into the cultural improvement  
6 district maintenance fund.

7 ~~(b)~~ (C) Restriction.--In no event may revenue collected from <--  
8 the levy in a particular year be used to develop, improve,  
9 design and maintain the property within the cultural improvement  
10 district unless the annual debt service incurred under section  
11 6224 for the benefit of the cultural improvement district will  
12 be satisfied.

13 § 6216. Authorization of taxes.

14 (a) Referendum required.--

15 (1) The local taxing option for a cultural improvement  
16 district tax authorized by section 6215 (relating to local  
17 taxing options) may not be exercised unless the governing  
18 body of the municipality by ordinance provides for a  
19 referendum on the question of the imposition at a specific  
20 rate of the additional tax and a majority of those voting on  
21 the referendum question vote in favor of the imposition of  
22 the tax. The additional tax may not be repealed any sooner  
23 than five years after the imposition of the tax.

24 (2) The ordinance of the governing body of the local  
25 government unit providing for a referendum on the question  
26 shall be filed with the county board of elections. The  
27 referendum shall be governed by the provisions of the act of  
28 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania  
29 Election Code.

30 (3) The election official shall cause the question to be

1 submitted to the electors of the municipality at the next  
2 primary, general or municipal election occurring not later  
3 than the thirteenth Tuesday following the filing of the  
4 ordinance with the county board of elections.

5 (4) At such election, the question shall be submitted to  
6 the voters in the same manner as other questions are  
7 submitted under the provisions of the Pennsylvania Election  
8 Code.

9 (5) The question to be placed upon the ballot shall be  
10 framed in the following form:

11 Do you favor the imposition of a (describe tax in millage  
12 or earned income tax rate) by (municipality) to be used  
13 to support the (specified) cultural improvement district?

14 (b) Repeal by referendum.--

15 (1) The method of repeal of the cultural improvement  
16 district tax shall be by referendum, and the procedures for  
17 the filing of the ordinance and the conduct of the referendum  
18 shall be the same as specified in subsection (a), except the  
19 question to be placed upon the ballot shall be framed in the  
20 following form:

21 Do you favor the continued imposition of the (describe  
22 tax in millage or earned income tax rate) by  
23 (municipality) to be used to support the (specified)  
24 cultural improvement district?

25 (2) If the referendum question passes, the cultural  
26 improvement district tax shall continue to be imposed at the  
27 rate described in the question.

28 (3) If the referendum question fails, the increase in  
29 the rate limit of the real estate or the earned income tax  
30 provided for by subsection (a) shall be repealed effective in

1 the fiscal year following the referendum.

2 (4) Regardless of whether the referendum question passes  
3 or fails, a referendum on either the reimposition of the open <--  
4 space tax under subsection (a) or the continued imposition of  
5 the cultural improvement district tax under this subsection  
6 shall not be held any sooner than five years after the  
7 approval or disapproval of the referendum question.

8 (c) Real property exemptions.--

9 (1) Any of the following categories of real property may  
10 be exempted by a municipality from further millage increases:

11 (i) Real property in which the open space property  
12 interests have been acquired by a municipality in  
13 accordance with the act of January 19, 1968 (1967  
14 P.L.992, No.442), entitled, as amended, "An act  
15 authorizing the Commonwealth of Pennsylvania and the  
16 local government units thereof to preserve, acquire or  
17 hold land for open space uses."

18 (ii) Real property that is subject to an easement  
19 acquired in accordance with the act of June 30, 1981  
20 (P.L.128, No.43), known as the Agricultural Area Security  
21 Law.

22 (iii) Real property from which transferable  
23 development rights have been transferred and retired by a  
24 municipality without their development potential having  
25 occurred on other lands.

26 (2) The exemption from further millage increases for  
27 real property as provided for in this section shall be  
28 authorized only for real property qualifying for such  
29 exemption under the provisions of section 2(b) (i) of Article  
30 VIII of the Constitution of Pennsylvania.



1 § 6222. Legislative findings.

2 The General Assembly finds that:

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

5 (2) The General Fund revenue derived from these taxes  
6 many times is not sufficient to provide adequate municipal  
7 services or additional services needed in specific geographic  
8 areas within the municipality, including, but not limited to,  
9 downtown commercial districts.

10 (3) As a result, municipalities should be encouraged to  
11 establish, where feasible and desired, assessment-based  
12 neighborhood improvement districts which would include, but  
13 not be limited to, downtown commercial districts. Designated  
14 district management associations would initiate and  
15 administer programs to promote and enhance more attractive  
16 and safer commercial, industrial, residential and mixed-use  
17 neighborhoods; economic growth; increased employment  
18 opportunities; and improved commercial, industrial, business  
19 districts and business climates.

20 (4) Municipalities should be given the broadest possible  
21 discretion in establishing by local ordinance the type of  
22 assessment-based programs most consistent with neighborhood  
23 needs, goals and objectives as determined and expressed by  
24 property owners in the designated district.

25 § 6223. Definitions.

26 The following words and phrases when used in this subchapter  
27 shall have the meanings given to them in this section unless the  
28 context clearly indicates otherwise:

29 "Authority." A body politic and corporate, established under  
30 the former act of May 2, 1945 (P.L.382, No.164), known as the

1 Municipality Authorities Act of 1945, or Chapter 56 (relating to  
2 municipal authorities).

3 "Benefited property." Those properties located within a  
4 neighborhood improvement district which profit from district  
5 improvements based on a rational nexus test. Properties need not  
6 profit equally to be considered to have benefited.

7 "Bonds." The term shall include the notes, bonds and other  
8 evidence of indebtedness or obligations which each municipal  
9 corporation is authorized to issue under section 6224(7)  
10 (relating to powers of municipal corporation).

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

22 "Business improvement district" or "BID." A business  
23 improvement district established prior to February 19, 2001, and  
24 governed by the former act of May 2, 1945 (P.L.382, No.164),  
25 known as the Municipality Authorities Act of 1945, insofar as it  
26 relates to business improvement districts or Chapter 54  
27 (relating to business improvement districts). On or after  
28 February 19, 2001, the term shall mean a limited geographical  
29 area comprised of real property which is used for any for-profit  
30 activity involving trade and traffic, or commerce in general.

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

3 "Construction expenditures." Property and right-of-way  
4 acquisition costs where applicable.

5 "Costs of improvements." The term includes architectural  
6 fees, engineering fees, attorney fees, consulting fees,  
7 professional fees, preliminary planning expenditures,  
8 feasibility study expenditures, financing costs and any other  
9 expenditures necessary and incidental to the development,  
10 construction or completion of the improvement.

11 "Cultural improvement district." A limited geographical area  
12 composed of institutions of cultural or historical significance  
13 and the surrounding businesses and neighborhoods that directly  
14 benefit from such institutions.

15 "District advisory council." A committee comprised of  
16 property owners from a neighborhood improvement district  
17 established under section 6227(a) (relating to powers of  
18 neighborhood improvement district management association) for  
19 the purpose of providing guidance and direction to the  
20 neighborhood improvement district management association  
21 concerning association activities within the district.

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

1 "Institution." The term includes, but is not limited to, a  
2 college, university, school, hospital, museum, theater, church,  
3 synagogue, art center or similar facility.

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

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

13 "Municipal corporation." The body or board authorized by law  
14 to enact ordinances or adopt resolutions for a municipality.

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

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

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

1 "Neighborhood improvement district" or "NID." A limited  
2 geographic area within a municipality, in which a special  
3 assessment is levied on all designated property, other than tax-  
4 exempt property, for the purpose of promoting the economic and  
5 general welfare of the district and the municipality, the term  
6 includes all of the following:

7 (1) Business improvement district (BID).

8 (2) Cultural improvement district (CID).

9 (3) Industrial improvement district (IID).

10 (4) Institutional improvement district (INID).

11 (5) Mixed-use improvement district (MID), depending on  
12 the type district established.

13 (6) Residential improvement district (RID).

14 A designated property may not be included in more than one  
15 neighborhood improvement district.

16 "Neighborhood improvement district management association" or  
17 "NIDMA." The governing body that oversees the management of  
18 neighborhood improvement districts in a municipality as  
19 established under section 6225 (relating to neighborhood  
20 improvement districts), and is incorporated as a nonprofit  
21 corporation in this Commonwealth or an authority as established  
22 under the former act of May 2, 1945 (P.L.382, No.164), known as  
23 the Municipality Authorities Act of 1945, or Chapter 56  
24 (relating to municipal authorities).

25 "Neighborhood improvement district plan" or "NIDP." The  
26 strategic plan for neighborhood improvements required by section  
27 6225 (relating to neighborhood improvement districts), and all  
28 projects, programs and supplemental services to be provided  
29 within the district to implement the plan by the neighborhood  
30 improvement district management association.

1 "Neighborhood improvement district services." In the case  
2 of:

3 (1) A neighborhood improvement district management  
4 association established for the purpose of making  
5 improvements or providing expanded services within an  
6 established neighborhood business improvement district, the  
7 term shall include, but not be limited to, those services  
8 which improve the ability of the commercial establishments  
9 within the neighborhood business improvement district to  
10 serve the consumer, such as free or reduced-fee parking for  
11 customers, transportation-related expenses, public relations  
12 programs, group advertising and district maintenance and  
13 security services.

14 (2) A residential, industrial, institutional or mixed-  
15 use neighborhood improvement district, the term shall  
16 include, but not be limited to, those services which improve  
17 the ability of property owners to enjoy a safer and more  
18 attractive neighborhood through the provision of increased or  
19 expanded services, including street lighting, street  
20 cleaning, street maintenance, parks, recreational equipment  
21 and facilities, open space or security services.

22 "Nonprofit corporation." A legal entity that is incorporated  
23 within this Commonwealth and specifies in its charter or bylaws  
24 that no part of the net earnings may benefit any private  
25 shareholder or individual holding interest in the legal entity.

26 "Private security officer." Any person or firm employed by a  
27 neighborhood improvement district management association for the  
28 purpose of providing increased security or protective patrol  
29 services within the neighborhood improvement district. The term  
30 may include an off-duty police officer, provided that the use of

1 the officer for this purpose is approved by the governing body  
2 of the municipality in which the neighborhood improvement  
3 district is located or the municipality where the officer is  
4 employed, if different.

5 "Project." The acquisition, development, construction,  
6 improvement, rehabilitation, operation or maintenance of a  
7 building, facility, equipment or structure, by purchase, lease  
8 or contract, by a neighborhood improvement district management  
9 association to facilitate neighborhood and business improvements  
10 as authorized by this subchapter.

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

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

27 "Service area." The area within the boundaries of a  
28 neighborhood improvement district established by a municipality  
29 under this subchapter in which the neighborhood improvement  
30 district management association provides programs, services and

1 improvements. The term may also include an area outside of the  
2 neighborhood improvement district where services are being  
3 provided by the neighborhood improvement district management  
4 association under contract.

5 "Special assessment fee." The fee assessed on property  
6 owners within a neighborhood improvement district levied by the  
7 municipality establishing a neighborhood improvement district  
8 under section 6224(10) (relating to powers of municipal  
9 corporation) for the purposes of providing programs,  
10 improvements and services under section 6227 (relating to powers  
11 of neighborhood improvement district management association).

12 "Sunset provision." The term means a provision in the  
13 neighborhood improvement district plan under section 6225(c)  
14 (relating to neighborhood improvement districts), establishing a  
15 neighborhood improvement district, which provides for the  
16 automatic termination of the neighborhood improvement district  
17 on a date specified in the neighborhood improvement district  
18 plan and in the municipal ordinance establishing the  
19 neighborhood improvement district. The neighborhood improvement  
20 district may be continued beyond that date, provided that the  
21 municipal enabling ordinance establishing the original  
22 neighborhood improvement district is reenacted, following a  
23 review of the neighborhood improvement district and the  
24 neighborhood improvement district management association  
25 programs and services provided within the neighborhood  
26 improvement district by the municipality.

27 § 6224. Powers of municipal corporation.

28 A municipal corporation shall have the power:

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

1           (2) To establish an authority to administer the NID or  
2 to designate an existing community development corporation or  
3 other existing nonprofit corporation to administer same or to  
4 establish a community development corporation or other  
5 nonprofit corporation to administer same under sections 6226  
6 (relating to neighborhood improvement district management  
7 associations) and 6227 (relating to powers of neighborhood  
8 improvement district management association).

9           (3) To appropriate and expend, in accordance with the  
10 specific provisions of the municipal enabling ordinance,  
11 municipal funds as may be required to:

12           (i) Acquire by purchase or lease real or personal  
13 property deemed necessary to effectuate the purposes of  
14 the NID.

15           (ii) Prepare or have prepared preliminary planning  
16 or feasibility studies to determine needed improvements  
17 in an NID, including, but not limited to, capital  
18 improvements, traditional streetscape and building  
19 renovations, retaining walls, street paving, street  
20 lighting, parking lots, parking garages, trees and  
21 shrubby, pedestrian walks, sewers, water lines, rest  
22 areas, acquisition, rehabilitation or demolition of  
23 blighted buildings and structures, graffiti removal,  
24 security, marketing, promotions, advertising, business  
25 retention and recruitment activities, master leasing and  
26 property management, joint advertising, research and  
27 planning as well as the provision of additional services  
28 to supplement, not replace, existing municipal services  
29 provided within the NID.

30           (4) To advance funds to an NIDMA as may be required to

1 carry out the purposes of this subchapter.

2 (5) To collect special property assessments on behalf of  
3 the NIDMA levied on designated property owners within the NID  
4 and to employ any legal methods to ensure collection of the  
5 assessments.

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

9 (7) To issue bonds, notes or guarantees, in accordance  
10 with the provisions of general laws in the amounts and for  
11 the periods necessary, to finance needed improvements within  
12 any NID.

13 (8) To review all proposed expenditures of funds within  
14 NIDs by NIDMAs and suggest changes to same where a nonprofit  
15 corporation is the NIDMA.

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

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

23 § 6225. Neighborhood improvement districts.

24 (a) Establishment.--

25 (1) The governing body of a municipality or municipal  
26 business or residents, or combination thereof, may initiate  
27 action to establish an NID or NIDs within the municipality  
28 under this subchapter.

29 (2) In the case of businesses or residents, or both,  
30 desiring to establish an NID where the municipality has not

1 taken action to do so, the governing body of the municipality  
2 may be petitioned to establish an NID under the procedures  
3 provided for by this subchapter.

4 (3) In no case where the governing body of a  
5 municipality is petitioned to establish an NID under  
6 paragraph (2) shall the municipality be required to establish  
7 an NID.

8 (b) Specific procedures.--

9 (1) A copy of everything required under this section, as  
10 well as the date, location and time of any public hearing  
11 required by this subchapter, shall be provided by the  
12 municipal corporation to all property owners and lessees of  
13 property owners located in the proposed NID at least 30 days  
14 prior to the first public hearing required by this section.

15 (2) At least one public hearing, no earlier than 15 days  
16 apart, for the purpose of receiving public comment from  
17 affected property owners within the proposed NID, on the  
18 proposed NIDP, shall be held by the municipality before the  
19 establishment of an NID. Notice of the hearing shall be  
20 advertised at least 10 days prior thereto in a newspaper of  
21 general circulation in the municipality.

22 (3) Any objections by property owners within the  
23 proposed NID must be made in writing by persons representing  
24 the ownership of 40%, in numbers, of the benefited properties  
25 within the NID. Objections must be signed by the property  
26 owner and filed in the office of the clerk for the governing  
27 body of the municipality in which the NID is proposed.

28 (c) Contents of preliminary plan.--The plan shall include  
29 the following:

30 (1) A map indicating the boundaries, by street, of the

1 proposed NID; however, a designated property may not be  
2 included in more than one NID.

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

4 (i) The name of the proposed district.

5 (ii) A detailed description of the service areas of  
6 the proposed district.

7 (iii) A list of all properties to be assessed.

8 (iv) A list of proposed improvements within the NID  
9 and their estimated cost.

10 (v) A proposed budget for the first fiscal year,  
11 including, but not limited to, the following:

12 (A) personnel and administration;

13 (B) programs and services;

14 (C) maintenance and operation; and

15 (D) capital expenditures.

16 (vi) The proposed revenue sources for financing all  
17 proposed improvements, programs and services.

18 (vii) The estimated time for implementation and  
19 completion of all proposed improvements, programs and  
20 services.

21 (viii) A statement identifying the administrative  
22 body which will govern and administer the NID.

23 (ix) Any other information, including the statutory  
24 authority or, in the case of a nonprofit corporation, the  
25 bylaws, which describe the powers and duties of and the  
26 method for making decisions by the NIDMA.

27 (x) The method of determining the amount of the  
28 assessment fee to be levied on property owners within the  
29 NID under section 6227 (relating to powers of  
30 neighborhood improvement district management

1 association).

2 (3) The plan shall also:

3 (i) Identify in detail the specific duties and  
4 responsibilities of both the NIDMA and the municipal  
5 corporation with respect to the NID.

6 (ii) Require that a written agreement be signed by  
7 the municipal corporation and the NIDMA describing in  
8 detail their respective duties and responsibilities.

9 (iii) Allow for and encourage tax-exempt property  
10 owners located within the NID to provide in-kind services  
11 or a financial contribution to the NIDMA, if not  
12 assessed, in lieu of a property assessment fee.

13 (iv) Require in the agreement between the municipal  
14 corporation and the NIDMA that the municipality must  
15 maintain the same level of municipal programs and  
16 services provided within the NID before NID designation  
17 as after NID designation.

18 (v) Allow the municipal corporation the right to  
19 include in the agreement with the NIDMA and in the  
20 enabling ordinance establishing the NID, a sunset  
21 provision of no less than five years for renewal of the  
22 agreement.

23 (vi) Require in the agreement with the NIDMA that  
24 the municipality establishing an NID collect all property  
25 assessment fees levied within the NID if so desired by  
26 the NIDMA.

27 (vii) Provide that a negative vote of at least 40%  
28 of the property owners within the NID proposed in the  
29 final plan shall be required to defeat the establishment  
30 of the proposed NID by filing objections with the clerk

1 for the governing body of the municipality within 45 days  
2 of presentation of the final plan where the governing  
3 body of the municipality is inclined to establish the  
4 NID.

5 (d) Final plan.--

6 (1) Prior to the establishment of an NID, the  
7 municipality shall submit a revised final plan to property  
8 owners located within the proposed NID which incorporates  
9 changes made to the plan based on comments from affected  
10 property owners within the NID provided at the public  
11 hearings or at some other time.

12 (2) Changes to the final plan which differ from the  
13 preliminary plan shall also be so indicated in an easily  
14 discernible method for the reader, including, but not limited  
15 to, changes being in boldfaced or italicized type.

16 (e) Public hearing.--

17 (1) At least one public hearing for the purpose of  
18 receiving public comment on any revisions to the preliminary  
19 plan made following suggestions by affected property owners  
20 within the proposed NID and reflected in the final NIDP shall  
21 be held by the municipal corporation before enacting an  
22 ordinance establishing an NID.

23 (2) Notice of the hearing shall be advertised at least  
24 10 days prior thereto in a newspaper of general circulation  
25 in the municipality.

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

27 (1) Following the last public hearing required under  
28 subsection (e) or under subsection (g) if there is an  
29 amendment to the final plan, affected property owners located  
30 within a proposed NID shall have 45 days from the date of the

1 hearing to object to and disapprove the final plan or any  
2 amendment to the final plan under the requirements of  
3 subsection (b) (3).

4 (2) If 40% or more of the affected property owners  
5 within the proposed NID fail to register their disapproval of  
6 the final plan or amendment to the final plan in writing with  
7 the clerk of the governing body of the municipality in which  
8 the NID is proposed, the governing body of the municipality  
9 may, following the 45-day period, enact a municipal ordinance  
10 establishing an NID under this subchapter or, in the case of  
11 an amendment to the final plan, adopt any amendments to the  
12 ordinance.

13 (g) Amendments to final plan.--

14 (1) The final plan may be amended by the NIDMA any time  
15 after the establishment of an NID, under the provisions of  
16 this subchapter, upon the recommendation of the NIDMA board,  
17 provided there is concurrence with 60% of the property owners  
18 within the NID.

19 (2) Amendments to the final plan which also require the  
20 approval of the governing body of the municipality  
21 establishing the NID include:

22 (i) Substantially changed or added programs,  
23 improvements or services to be provided in the NID.

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

26 (iii) Incurring increased indebtedness.

27 (iv) Changing the assessment fee structure levied on  
28 property owners in the NID.

29 (v) Changing the legal entity of the NIDMA which  
30 provides programs, improvements and services within the

1           NID.

2           (vi) Changing the NID service area boundary.

3           Prior to the governing body of the municipality approving any  
4           change enumerated in this paragraph, the governing body shall  
5           hold at least one public hearing to determine that the change  
6           is in the public interest as it relates to affected property  
7           owners within the NID.

8           (3) The municipality shall provide public notice of the  
9           hearing for the amendment by publication of a notice in at  
10          least one newspaper having a general circulation in the NID  
11          specifying the time and place of such hearing and the  
12          amendment to be considered. The notice shall be published  
13          once at least 10 days prior to the date of the hearing.

14          (4) The governing body of the municipality may within 30  
15          days following the public hearing and, at its sole  
16          discretion, approve or disapprove of the amendment to the  
17          plan. If approved, the amendment shall be effective upon the  
18          date of such approval.

19          (5) Prior to the adoption of an amendment to the NID  
20          boundary which increases the size of the NID, any owner of  
21          property to be added to the NID shall be notified of the  
22          date, time and location of the public hearing on the proposed  
23          amendment to the final plan and provided all information  
24          required by subsection (c).

25   § 6226. Neighborhood improvement district management  
26           associations.

27          (a) Designation.--When a municipality establishes an NID  
28          under this subchapter, an NIDMA shall be designated by the  
29          governing body of the municipality in which the NID is to be  
30          located to administer programs, improvements and services within

1 the NID.

2 (b) Administration.--

3 (1) NIDs established under this subchapter shall be  
4 administered by an NIDMA which shall be an authority  
5 established under the former act of May 2, 1945 (P.L.382,  
6 No.164), known as the Municipality Authorities Act of 1945,  
7 or Chapter 56 (relating to municipal authorities), an  
8 existing nonprofit development corporation, an existing  
9 nonprofit corporation or a nonprofit development corporation  
10 or nonprofit corporation established by the governing body or  
11 authorized to be established by the governing body of the  
12 municipality in which the NID is to be located, to administer  
13 the NIDP.

14 (2) If an active nonprofit development corporation  
15 already exists within the geographic boundaries of the NID  
16 and formally indicates its interest to the governing body of  
17 the municipality to become the designated NIDMA, the  
18 governing body of the municipality shall grant that request  
19 unless 40% or more of the affected property owners within the  
20 proposed NID register their disapproval of this designation  
21 in writing with the clerk of the governing body within a 45-  
22 day period following the formal written request for  
23 designation by the nonprofit development corporation to  
24 become the NIDMA.

25 (c) Powers.--An NIDMA established under this subchapter  
26 shall assume all powers provided for in section 6227 (relating  
27 to powers of neighborhood improvement district management  
28 association) immediately upon the effective date of the  
29 municipal ordinance enacted under section 6224 (relating to  
30 powers of municipal corporation) establishing the NID.

1 (d) Board.--An NIDMA shall have an administrative board as  
2 follows:

3 (1) Where an authority established under the former  
4 Municipality Authorities Act of 1945 or Chapter 56 serves as  
5 the NIDMA, the board shall be appointed under the former  
6 Municipality Authorities Act of 1945 or Chapter 56, as  
7 applicable.

8 (2) Where an existing nonprofit development corporation  
9 or other nonprofit corporation is to serve as the NIDMA, the  
10 board shall be appointed according to the bylaws of the NIDMA  
11 filed with the Department of State.

12 (3) Where a nonprofit development corporation or other  
13 nonprofit corporation is established to serve as the NIDMA  
14 for an NID, the board shall be comprised of an odd number of  
15 members, between five and nine, with at least one member  
16 representing the municipal corporation in which the NID is  
17 located.

18 (4) In all cases, an NIDMA board shall include a  
19 representative of property owners located in the NID,  
20 business owners located in the NID and any institution  
21 located in the NID. Institutional members may appoint a  
22 designee to represent them. All board members need not be  
23 residents of the NID.

24 § 6227. Powers of neighborhood improvement district management  
25 association.

26 (a) General powers.--An NIDMA shall have, in addition to any  
27 other powers provided under Chapter 56 (relating to municipal  
28 authorities), where the NIDMA is an authority, or in addition to  
29 any other powers provided under the charter establishing a  
30 nonprofit development corporation or other nonprofit

1 corporation, where the NIDMA is a nonprofit development  
2 corporation or other nonprofit corporation, the power to:

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

5 (2) Employ an executive director or administrator and  
6 any necessary supporting staff or contract for the provision  
7 of same.

8 (3) Prepare planning or feasibility studies or contract  
9 for the preparation of same to determine needed capital  
10 improvements or administrative programs and services within  
11 the NID.

12 (4) Make capital improvements or provide administrative  
13 programs and services within an NID.

14 (5) Purchase, own, construct, renovate, develop,  
15 operate, rehabilitate, manage, sell or dispose of real  
16 property.

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

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

22 (8) Appropriate and expend NID funds which would include  
23 any Federal, State or municipal funds received by the NIDMA.  
24 The funds shall be expended in accordance with any specific  
25 provisions contained in the municipal enabling ordinance  
26 establishing the NID and may be used:

27 (i) To acquire by purchase or lease real or personal  
28 property to effectuate the purposes of this subchapter,  
29 including making common improvements within the NID,  
30 including, but not limited to, sidewalks, retaining

1 walls, street paving, parks, recreational equipment and  
2 facilities, open space, street lighting, parking lots,  
3 parking garages, trees and shrubbery, pedestrian walks,  
4 sewers, water lines, rest areas and the acquisition,  
5 rehabilitation or demolition of blighted buildings or  
6 comparable structures.

7 (ii) To provide free or reduced-fee parking for  
8 customers of businesses within the NID, transportation-  
9 related expenditures, public relations programs, group  
10 advertising and NID maintenance and security services.

11 (iii) To impose special assessment fees.

12 (9) Solicit in-kind services or financial contributions  
13 from tax-exempt property owners within the NID in lieu of  
14 property assessment fees. This may include entering into  
15 voluntary multiyear agreements between the NIDMA and tax-  
16 exempt property owners located within an NID for the  
17 provision of same.

18 (10) Impose liens on property for the nonpayment of  
19 property assessments. An NID administered by a nonprofit  
20 corporation would have any such liens filed by the municipal  
21 corporation.

22 (11) Hire additional off-duty police officers or private  
23 security officers whose patrol area responsibilities are  
24 limited to the geographical area incorporated within the  
25 designated NID service area and whose responsibility is to  
26 support existing municipal and volunteer efforts aimed at  
27 reducing crime and improving security in the NID.

28 (12) Designate a district advisory committee for each  
29 NID established within the municipality. The committee shall  
30 consist of an odd number of members, between five and nine,

1 who must represent the neighborhood's character, including,  
2 but not limited to, age, sex and cultural diversity.

3 (b) Assessments.--

4 (1) The NIDMA shall, upon approval by the governing body  
5 of the municipality, have the power to assess property owners  
6 within the NID a special property assessment fee. Revenues  
7 from the fee shall be accounted for and used by the NIDMA to  
8 make improvements and provide programs and services within  
9 the NID as authorized by this subchapter. Where the district  
10 established is a BID, the NIDMA may exempt residential  
11 property owners from any special assessment fees levied.

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

15 (3) All special property assessment fees shall be based  
16 upon the estimated cost of the programs, improvements or  
17 services to be provided in the NID as stated in the final  
18 plan under section 6225(d) (relating to neighborhood  
19 improvement districts). In no case shall the aggregate amount  
20 of all fees levied by the NIDMA during the year exceed the  
21 estimated cost of proposed programs, improvements and  
22 services for the year.

23 (4) In the case of an NID which contains a combination  
24 of business, residential, industrial or institutional areas  
25 and uses, a weighted assessment may be instituted. In such  
26 case, the fee levied on property owners generally may be  
27 weighted higher for business, industrial or institutional  
28 properties than that levied on residential property owners,  
29 provided that the basis for the calculation of the fee meets  
30 the rational nexus test.

1           (5) The total costs of improvements, programs and  
2 administrative services provided by the NIDMA shall be  
3 assessed to all designated properties within the NID by one  
4 of the following methods:

5           (i) An assessment determined by multiplying the  
6 total service and improvement costs by the ratio of the  
7 assessed value of the benefited property to the total  
8 assessed valuation of all designated benefited properties  
9 in the NID.

10          (ii) An assessment upon the several properties in  
11 the NID in proportion to benefits as ascertained by  
12 viewers appointed in accordance with law.

13          (iii) Any method that equitably apportions costs  
14 among benefiting properties.

15          (iv) In the case of improvements benefiting  
16 properties abutting the NID by the front-foot method,  
17 with equitable adjustments for corner properties and  
18 other cases provided for in the municipal ordinance. Any  
19 property which cannot be equitably assessed by the front-  
20 foot method may be assessed by any of the methods  
21 enumerated in subparagraphs (i), (ii) and (iii).

22 (c) Payment.--

23          (1) The governing body may by ordinance authorize the  
24 payment of the assessment in equal annual or more frequent  
25 installments over such time and bearing interest at the rate  
26 specified in the municipal ordinance.

27          (2) If bonds have been issued and sold or notes or  
28 guarantees have been given or issued to provide for the cost  
29 of the services and improvements, the assessment in equal  
30 installments shall not be payable beyond the term for which

1 the bonds, notes or guarantees are payable.

2 (d) Liens.--

3 (1) Notwithstanding the filing of the claims, all  
4 assessments which are made payable in installments shall  
5 constitute liens and encumbrances upon the respective  
6 benefited properties at the beginning of each calendar year,  
7 except as provided in subsection (c), and only in an amount  
8 equal to the sum of:

9 (i) the annual or other installments becoming  
10 payable in such year, with interest and penalties, if  
11 any, thereon; and

12 (ii) the total of all installments, with interest  
13 and penalties thereon, which became due during prior  
14 years and which remain due and unpaid at the beginning of  
15 the current year.

16 (2) In the case of default in the payment of any  
17 installment and interest for a period of 90 days after the  
18 payment becomes due, the assessment ordinance may provide  
19 either for the entire assessment, with accrued interest and  
20 penalties, to become due and become a lien from the due date  
21 of the installment or may provide solely for the enforcement  
22 of the claim as to the overdue installment, with interest and  
23 penalties, in which case the ordinance shall further provide  
24 that if any installment or portion thereof remains due and  
25 unpaid for one year after it has become due and payable, then  
26 the entire assessment with accrued interest and penalties  
27 shall become due and become a lien from the due date of the  
28 installment.

29 (3) No action taken to enforce a claim for any  
30 installment or installments shall affect the status of any

1 subsequent installment of the same assessment, each of which  
2 shall continue to become a lien upon the property annually  
3 under paragraph (1).

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

7 (5) An owner of property against whom an assessment has  
8 been made may pay the assessment in full at any time, with  
9 accrued interest and costs thereon. The payment shall  
10 discharge the lien of the assessment or installments then  
11 constituting a lien and release the claim to any later  
12 installments.

13 (6) Claims to secure the assessments shall be entered in  
14 the prothonotary's office of the county at the same time and  
15 in the same form and collected in the same manner as  
16 municipal tax claims are filed and collected, notwithstanding  
17 the provisions of this section as to installment payments.

18 § 6228. Additional powers of neighborhood improvement district  
19 management association in a cultural district.

20 (a) General rule.--In addition to the powers listed in  
21 section 6227 (relating to powers of neighborhood improvement  
22 district management association), an NIDMA that is established  
23 to oversee a cultural improvement district shall have the powers  
24 enumerated in this section.

25 (b) Grant program.--

26 (1) The NIDMA board may annually distribute funds  
27 through a cultural district grant program. The cultural  
28 district grant program shall distribute funds throughout the  
29 cultural district to fund projects that improve the cultural  
30 nature of the district.

1           (2) Applicants must submit the grant application to the  
2 board between January 1 and March 1 and use the standard form  
3 provided by the NIDMA board.

4           (3) Between March 1 and April 1, the NIDMA board shall  
5 review the submitted applications.

6           (4) The applicants of applications that are missing any  
7 information shall be notified through the mail and given 15  
8 days to supply the missing information.

9           (5) Between April 1 and June 1, the NIDMA board shall  
10 convene two public hearings to receive public comment in  
11 regards to the applications being considered. The hearings  
12 shall be advertised in accordance with the provisions of 65  
13 Pa.C.S. Ch. 7 (relating to open meetings).

14           (6) (i) Between June 1 and June 30, the board shall  
15 meet to discuss the comments provided by the public and  
16 vote on the applications.

17           (ii) Any grant must be approved or rejected by the  
18 majority of the entire NIDMA board membership.

19           (iii) The NIDMA board shall not be required to  
20 approve grants every year.

21           (7) (i) On or after August 1 but not later than  
22 September 1, the NIDMA board shall hold a public meeting  
23 to announce which grants have received approval. The  
24 board shall notify each applicant of the board decision.

25           (ii) If the application is rejected, the board shall  
26 provide comments describing why the application was  
27 rejected.

28           (iii) Rejection of an application does not prevent  
29 an applicant from reapplying at a later date.

30           (c) Demonstration of benefit required.--Funds distributed

1 through the application process provided for under this section  
2 must provide a benefit to the entire cultural district.

3 (d) Restriction.--No funds distributed under this section  
4 may be used for the payment of salaries or the replacement of  
5 equipment.

6 § 6229. Dissolution of neighborhood improvement district  
7 management association and neighborhood improvement  
8 district.

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

16 (b) Request for termination by assessed property owners.--

17 (1) Any request for the termination of the NID and NIDMA  
18 approved by 40% of the assessed property owners, in numbers,  
19 located in the NID must be submitted to the governing body of  
20 the municipality in writing.

21 (2) The governing body shall hold a hearing on the  
22 merits of the request, under section 6225(b)(2) (relating to  
23 neighborhood improvement districts) as it relates to the  
24 required procedure of holding a hearing.

25 (3) The request shall be considered by the governing  
26 body of the municipality.

27 (4) If the request is approved by the governing body of  
28 the municipality, then a resolution to that effect shall be  
29 filed with the Secretary of the Commonwealth.

30 (5) The Secretary of the Commonwealth shall note the

1 termination of the existence on the record of incorporation  
2 and return the resolution with the secretary's approval shown  
3 on the resolution to the municipal corporation.

4 (6) Upon the secretary's receipt of the notice, the  
5 property of the NIDMA shall pass to the municipal  
6 corporation, as the case may be, and the NIDMA and NID shall  
7 cease to exist.

8 (c) Request for termination by governing body.--

9 (1) A request for the termination of the NID and NIDMA  
10 by the governing body of the municipality in which the NID is  
11 located shall result in a hearing on the merits of the  
12 request, under section 6225(b)(2) as it relates to the  
13 required procedure for holding a hearing.

14 (2) Before the decision to terminate an NID and NIDMA is  
15 made, the termination must be approved by 40% of the assessed  
16 property owners, in numbers, located in the NID and shall be  
17 submitted to the governing body of the municipality in  
18 writing.

19 (3) The written request shall be considered by the  
20 governing body of the municipality. If the request is  
21 approved by the governing body of the municipality, then a  
22 resolution to that effect shall be filed with the Secretary  
23 of the Commonwealth.

24 (4) The Secretary of the Commonwealth shall note the  
25 termination of the existence on the record of incorporation  
26 and return the resolution with the secretary's approval shown  
27 to the municipal corporation.

28 (5) Upon the secretary's receipt of the notice, the  
29 property of the NIDMA shall pass to the municipal  
30 corporation, as the case may be, and the NIDMA and NID shall

1 cease to exist.

2 § 6230. Annual audit; report.

3 The NIDMA shall annually:

4 (1) Submit an audit of all income and expenditures to  
5 the Department of Community and Economic Development and the  
6 governing body of the municipality in which the NID is  
7 located within 120 days after the end of each fiscal year.

8 (2) Submit a report, including financial and  
9 programmatic information, including a summary of audit  
10 findings, to the governing body of the municipality in which  
11 the NID is located and to all assessed property owners  
12 located in the NID.

13 § 6231. Applicability.

14 (a) Existing districts.--Except as provided for in  
15 subsection (d), any existing business improvement district or  
16 downtown improvement district established prior to February 19,  
17 2001, shall remain in existence and shall be governed by Chapter  
18 56 (relating to municipal authorities), insofar as it relates to  
19 business improvement districts, or Chapter 54 (relating to  
20 business improvement districts).

21 (b) Districts established subsequently.--Any NID established  
22 on or after February 19, 2001, shall be governed by the  
23 provisions of this subchapter.

24 (c) Previously terminated districts.--Any business  
25 improvement district or downtown improvement district in  
26 existence prior to February 19, 2001, which is terminated shall,  
27 upon its reestablishment, be governed by the provisions of this  
28 subchapter. This shall include any termination resulting from a  
29 sunset provision in any municipal agreement or ordinance.

30 (d) Additional requirements.--Any business improvement

1 district or downtown improvement district in existence on or  
2 after February 19, 2001, shall:

3 (1) Be required to carry out any duty or responsibility  
4 imposed on NIDs under this subchapter.

5 (2) Possess any additional power given to NIDs under  
6 this subchapter without having to restructure or reorganize  
7 under this subchapter.

8 Section 2. Repeals are as follows:

9 (1) The General Assembly declares that the repeal under  
10 paragraph (2) is necessary to effectuate the addition of 53  
11 Pa.C.S. Ch. 62 Subch. C.

12 (2) The act of December 20, 2000 (P.L.949, No.130),  
13 known as the Neighborhood Improvement District Act, is  
14 repealed.

15 Section 3. The addition of 53 Pa.C.S. Ch. 62 Subch. C is a  
16 continuation of the former act of December 20, 2000 (P.L.949,  
17 No.130), known as the Neighborhood Improvement District Act. The  
18 following apply:

19 (1) Except as otherwise provided in 53 Pa.C.S. Ch. 62  
20 Subch. C, all activities initiated under the the Neighborhood  
21 Improvement District Act shall continue and remain in full  
22 force and effect and may be completed under 53 Pa.C.S. Ch. 62  
23 Subch. C. Orders, regulations, rules and decisions which were  
24 made under the Neighborhood Improvement District Act and  
25 which are in effect on the effective date of this section  
26 shall remain in full force and effect until revoked, vacated  
27 or modified under 53 Pa.C.S. Ch. 62 Subch. C. Contracts,  
28 obligations and collective bargaining agreements entered into  
29 under the Neighborhood Improvement District Act are not  
30 affected nor impaired by the repeal of the Neighborhood

1 Improvement District Act.

2 (2) Except as set forth in paragraph (3), any difference  
3 in language between 53 Pa.C.S. Ch. 62 Subch. C and the  
4 Neighborhood Improvement District Act is intended only to  
5 conform to the style of the Pennsylvania Consolidated  
6 Statutes and is not intended to change or affect the  
7 legislative intent, judicial construction or administration  
8 and implementation of the Neighborhood Improvement District  
9 Act.

10 (3) Paragraph (2) does not apply to the addition of the  
11 following provisions:

12 (i) The definitions of "cultural improvement  
13 district" and "neighborhood improvement district" in 53  
14 Pa.C.S. § 6223.

15 (ii) 53 Pa.C.S. § 6228.

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