

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 385** Session of
2015

INTRODUCED BY PILEGGI, RAFFERTY, BREWSTER, COSTA, GREENLEAF,
SCHWANK, SMITH, VULAKOVICH, WARD, YUDICHAK AND BROWNE,
FEBRUARY 3, 2015

AS REPORTED FROM COMMITTEE ON TRANSPORTATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, OCTOBER 26, 2015

AN ACT

1 Amending the act of December 8, 2004 (P.L.1801, No.238),
2 entitled "An act empowering municipalities, counties and
3 public transportation agencies to work cooperatively to
4 establish Transit Revitalization Investment Districts (TRID),
5 including partnerships with the National Railroad Passenger
6 Corporation requiring planning studies, comprehensive plan
7 and zoning amendments and use of existing statutes and
8 techniques to achieve transit-oriented development,
9 redevelopment, community revitalization and enhanced
10 community character through TRID creation; establishing value
11 capture areas as a means to reserve and use future,
12 designated incremental tax revenues for public transportation
13 capital improvements, related site development improvements
14 and maintenance; promoting the involvement of and
15 partnerships with the private sector in TRID development and
16 implementation; encouraging public involvement during TRID
17 planning and implementation; and providing for duties of the
18 Department of Community and Economic Development," in general
19 provisions, further providing for definitions; in TRID
20 creation and location, further providing for criteria for
21 proposed TRID, for TRID designation, for implementing
22 authority, for TRID planning study factors, for roles and
23 responsibilities of public transportation agencies and
24 municipalities and for amendments to TRID planning study; in
25 land development powers of public transportation agencies,
26 further providing for development or redevelopment of
27 property; in value capture approaches, further providing for
28 creation of value capture area and for dedication of tax
29 revenues; providing for capture of TRID tax revenue; and, in
30 community involvement, further providing for public meeting
31 to explain TRID and alternative implementation approaches.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. Section 103 of the act of December 8, 2004
4 (P.L.1801, No.238), known as the Transit Revitalization
5 Investment District Act, is amended by adding ~~a definition~~ <--
6 DEFINITIONS to read: <--

7 Section 103. Definitions.

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

11 * * *

12 "Management entity." Any of the following:

13 (1) A participating municipality or transit agency.

14 (2) A redevelopment authority, municipal authority,
15 neighborhood improvement district, business improvement
16 district or a similar governmental or nonprofit organization
17 authorized to act in a manner consistent with the TRID
18 planning study and with a services area compatible with the
19 TRID.

20 * * *

21 "PROJECT COSTS." ANY EXPENDITURES MADE OR ESTIMATED TO BE <--
22 MADE, OR MONETARY OBLIGATIONS INCURRED OR ESTIMATED TO BE
23 INCURRED, WHICH ARE LISTED IN A TRID PLAN OR AGREEMENT AS COSTS
24 OF IMPROVEMENTS THAT CREATE ECONOMIC DEVELOPMENT OR
25 REVITALIZATION WITHIN A TRID DISTRICT, PLUS ANY COSTS INCIDENTAL
26 THERE TO. PROJECT COSTS INCLUDE, BUT ARE NOT LIMITED TO, THE
27 CAPITAL, FINANCING, REAL PROPERTY ASSEMBLY, PROFESSIONAL
28 SERVICE, ADMINISTRATIVE, RELOCATION, ORGANIZATIONAL AND OTHER
29 NECESSARY OR CONVENIENT COSTS DELINEATED IN THE ACT OF JULY 11,
30 1990 (P.L.465, NO.113), KNOWN AS THE TAX INCREMENT FINANCING

1 ACT.

2 * * *

3 "REDEVELOPMENT AUTHORITY." AN AUTHORITY CREATED PURSUANT TO
4 THE ACT OF MAY 24, 1945 (P.L.991, NO.385), KNOWN AS THE URBAN
5 REDEVELOPMENT LAW.

6 Section 2. Sections 301, 302, 303, 304, 305, 306, 502, 701
7 and 702 of the act are amended to read:

8 Section 301. Criteria for proposed TRID.

9 Local municipalities, counties, transportation authorities
10 and public transportation agencies proposing to define and
11 develop a TRID shall use the following criteria and process:

12 (1) Eligible TRID locations may include any geographic
13 area of a municipality or municipalities, including vacant,
14 underutilized or potentially redevelopable land, within an
15 area [generally formed by a minimum radius of one-eighth mile
16 and] not to exceed a radius of ~~[one-half]~~ THREE-QUARTERS mile <--
17 from a railroad, transit, light rail, busway or similar
18 transit stop or station, measured from the centerline of the
19 track or roadway traversing the station or stop location.
20 TRID designation may also include new station locations
21 proposed in conjunction with a planned public transportation
22 service, as defined on an adopted county, regional or public
23 transportation agency plan.

24 [(2) The specific boundaries of a TRID may be expanded
25 or reduced based on local circumstances such as local
26 economic development and planning goals, community character,
27 property boundary and scale variations but only when:

28 (i) authorized by the governing body or bodies of
29 the affected jurisdiction or jurisdictions in cooperation
30 with the pertinent public transportation agency; and

1 (ii) the rationale for the boundaries is supported
2 by the findings of the required TRID planning study.]

3 (3) A local municipality or municipalities shall
4 [further] define and support the rationale for the TRID
5 designation through a TRID planning study as well as
6 appropriate amendments to the municipal comprehensive plan,
7 zoning ordinance and other pertinent regulations.

8 (4) A local municipality may designate the county
9 planning agency to undertake or assist the TRID planning
10 study on its behalf.

11 (5) An existing neighborhood improvement district, tax
12 increment district or urban renewal area may be used as the
13 basis for the boundaries of a TRID when justified by the TRID
14 planning study required in section 304.

15 Section 302. TRID designation.

16 (a) Designation.--Local municipalities and counties working
17 with public transportation agencies, transportation authorities,
18 AMTRAK, passenger rail transportation providers or any
19 combination thereof may designate TRIDs in advance of
20 implementation of a new public transit service or in conjunction
21 with an existing public transportation service and in advance of
22 or in conjunction with actual development proposals. A TRID and
23 its boundaries shall be established by ordinance.

24 (b) Agreement.--To create a TRID, in addition to the
25 planning study described in section 301(3), the municipality or
26 municipalities shall enter into an agreement with the transit
27 agency that approves the TRID planning study under section
28 301(3) and defines the activities [and], commitments and
29 administrative and management roles of each party to the TRID,
30 including any specific actions or financial participation to

1 help implement the TRID. The agreement shall include the
2 development agreement specified in section 504 as well as a
3 description of the TRID management entity described in section
4 [502(4)] 303.

5 Section 303. [Implementing authority] Management entity.

6 [A participating county, local municipality, transportation
7 authority and public transportation agency may designate on
8 their behalf the county redevelopment authority to assume
9 responsibility for TRID implementation.] The participating local
10 municipality or county and the transit agency shall designate
11 the management entity in the TRID agreement to administer,
12 manage and facilitate the implementation of the TRID planning
13 study.

14 Section 304. TRID planning study factors.

15 The scope and scale of transit improvements and community
16 facility improvements, as well as any needed support facilities,
17 shall be assessed in the TRID planning study. The TRID planning
18 study shall also serve as the basis for a comprehensive plan
19 amendment to establish the TRID if the municipality has a
20 currently adopted comprehensive plan. The following shall apply:

21 (1) The planning study shall consider the need for
22 capital improvements to transit-related facilities and
23 adjacent public infrastructure, including roads, sidewalks
24 and water, sewer and storm drainage service and public
25 facilities, as well as opportunities for private sector real
26 estate development and ways in which such facilities,
27 services and development can be financed.

28 (2) Municipalities and counties undertaking a TRID
29 planning study shall receive priority consideration for
30 planning [and implementation] grants and technical assistance

1 from the department[, working in partnership with the
2 pertinent county planning agency or agencies and other State
3 agencies with grant or loan programs that may be applicable
4 to TRID planning or implementations]. Any funding
5 [appropriated to the Department of Community and Economic
6 Development for the purpose of carrying out this act is
7 intended to assist counties and local governments on a 25%
8 matching basis to undertake TRID planning studies and related
9 implementation activities. Individual grants for a TRID
10 planning study or implementation project shall not exceed
11 \$75,000. The department in consultation with the Department
12 of Transportation shall administer the supplemental TRID
13 program through the existing land use planning and technical
14 assistance program, with application guidance as necessary.]
15 utilized by the department to assist with TRID planning
16 studies, except where otherwise limited by law, shall require
17 a match of 25%.

18 (3) Commonwealth agencies are directed to provide State
19 resources, programs and new capital investments that will
20 assist local governments, transportation authorities and
21 transit agencies to implement TRIDS.

22 Section 305. Roles and responsibilities of public
23 transportation agencies and municipalities.

24 As guidelines to implement the findings and recommendation of
25 the TRID planning study, the following roles and
26 responsibilities are defined:

27 (1) ~~【The】~~ IDENTIFYING THE scope and scale of needed or <--
28 proposed transit capital improvements within the TRID area
29 are the responsibility of the partnering public
30 transportation agency. The cost, financing, phasing and

1 schedule of all transit-related improvements shall be
2 included in the public transportation agency's adopted
3 capital program.

4 (2) [The] IDENTIFYING THE scope and scale of needed or <--
5 proposed support facilities, highway accessways and community
6 or neighborhood facility improvements, for example, sidewalks
7 and recreation facilities, are the responsibility of the
8 partnering county and local jurisdiction or jurisdictions and
9 may include support from the private sector.

10 †(3) [Notwithstanding these stated roles and <--
11 responsibilities, the parties to a TRID shall be responsible
12 for defining the administrative and management roles and
13 responsibilities that will be most appropriate to achieve
14 implementation of the TRID in their community.]

15 ADMINISTRATION, MANAGEMENT AND FACILITATION OF THE TRID <--
16 IMPLEMENTATION ARE PRIMARILY THE RESPONSIBILITY OF THE
17 MANAGEMENT ENTITY, INCLUDING, BUT WITHOUT LIMITATION, ISSUING
18 BONDS AND NOTES, SECURING GRANT FUNDS AND OTHERWISE RAISING,
19 EXPENDING AND ADMINISTERING FUNDS FOR TRID PROJECTS.

20 Section 306. Amendments [to TRID planning study].

21 [Proposed real estate development or redevelopment may
22 trigger additional needs for transit improvements and community
23 facility improvements or support facilities and shall be
24 accommodated through pertinent amendments of the TRID planning
25 study and county, multimunicipal or local municipal
26 comprehensive plan.] If warranted by a changing economic or
27 community condition, planning goal, real estate development,
28 redevelopment opportunity or a demonstrated need for transit or
29 community facility improvement, a TRID or TRID planning study
30 may be amended. The following shall apply:

1 (1) The boundaries of a TRID may be expanded or reduced
2 by an amendment to the ordinance establishing the TRID and
3 shall be accompanied by justification for the boundary change
4 supported by findings in the original or amended TRID
5 planning study.

6 (2) A TRID planning study may be amended by approval of
7 the municipality, municipalities or counties and the transit
8 agency that are parties to the TRID designation under section
9 302.

10 Section 502. Development or redevelopment of property.

11 Development or redevelopment of property within a TRID shall
12 generally occur in the following manner:

13 (1) The public transportation agency, MUNICIPALITY OR <--
14 MANAGEMENT ENTITY may acquire the property, improve it for
15 future development, such as site clearance, utility work,
16 environmental remediation and similar improvements, and work
17 cooperatively with the pertinent local jurisdiction or
18 jurisdictions and implementing agencies to offer it for sale
19 to the private sector for use or uses consistent with the
20 adopted TRID plan.

21 (2) Alternatively, the public transportation agency, <--
22 MUNICIPALITY OR MANAGEMENT ENTITY may advertise the presence
23 of available development sites within a TRID, including a map
24 of potentially developable or redevelopable properties, and
25 invite interested developers to submit proposals in
26 cooperation with the pertinent local jurisdiction or
27 jurisdictions and implementing agencies.

28 (3) In the case of either paragraph (1) or (2), the
29 public transportation agency may not be the primary real
30 estate developer, and joint development activities are

1 confined to the construction of support and access
2 facilities: that is, vehicular access, parking, pedestrian
3 ways, building pads, foundation columns, signage and similar
4 items.

5 †(4) [The partnering TRID local municipality or <--
6 municipalities shall designate a management entity for the
7 TRID which may be a municipal authority or joint municipal
8 authority, in accordance with the requirements of 53 Pa.C.S.
9 Ch. 56 (relating to municipal authorities) to manage and
10 facilitate TRID implementation. The local municipality or
11 municipalities involved in the TRID shall retain policy and
12 oversight responsibilities for all budgetary and programmatic
13 actions of the designated TRID management entity.] SIMILAR <--
14 TO, BUT NOT LIMITED BY, THE ACT OF JULY 11, 1990 (P.L.465,
15 NO.113), KNOWN AS THE TAX INCREMENT FINANCING ACT, A PUBLIC
16 TRANSPORTATION AGENCY, MUNICIPALITY, MANAGEMENT ENTITY OR A
17 DESIGNATED AGENT MAY ISSUE BONDS OR NOTES, DEPOSIT MONEY INTO
18 THE TRID FUND OF ANY TRID DISTRICT, ENTER INTO ANY CONTRACTS
19 OR AGREEMENTS, INCLUDING AGREEMENTS WITH BONDHOLDERS, AS
20 DETERMINED TO BE NECESSARY OR CONVENIENT TO IMPLEMENT THE
21 PROVISIONS AND EFFECTUATE THE PURPOSES OF TRID PROJECT PLANS.
22 THE CONTRACTS OR AGREEMENTS MAY INCLUDE CONDITIONS,
23 RESTRICTIONS OR COVENANTS WHICH EITHER RUN WITH THE LAND OR
24 OTHERWISE REGULATE THE USE OF THE LAND.

25 (5) Creative partnerships with AMTRAK, passenger rail
26 transportation providers, transportation authorities and the
27 private sector to accomplish TRID purposes that use the
28 benefits of AMTRAK's and passenger rail service providers'
29 existing real estate development powers are both desirable
30 and encouraged.

1 [(6) Neighborhood improvement districts, business
2 improvement districts or similar entities may be designated
3 to manage the TRID implementation activities.]

4 Section 701. Creation of value capture area.

5 In conjunction with the formal establishment of the TRID
6 boundaries, a coterminous value capture area shall
7 simultaneously be created to enable local municipalities, school
8 districts, the county and the public transportation agency to
9 share the increased tax increment of real estate and other
10 designated tax revenues generated by new real estate investment
11 within the TRID. The participants in the TRID, through the
12 designated management entity, shall develop an administrative
13 and project schedule and budget to implement the project,
14 including future maintenance needs, as defined in the TRID
15 planning study, as well as the shares and use of [such tax] the
16 incremental revenues as are projected to be generated from the
17 TRID value capture area. The participating municipality or
18 municipalities may review and revise the TRID budget.

19 Section 702. [Dedication of tax revenues] FINANCING OF PROJECT <--
20 COSTS.

21 [Tax] A portion of incremental tax revenues generated within
22 a TRID shall be dedicated to completion and future maintenance
23 of the specific and necessary transit capital and public
24 infrastructure improvements designated in the comprehensive plan
25 amendment and TRID planning study as follows:

26 (1) Local [municipalities and counties shall not use
27 such revenues for general government purposes, and a public
28 transportation agency shall not use such revenues for transit
29 capital investments elsewhere on the public transportation
30 system.] taxing bodies shall approve that portion of revenues

1 which shall be dedicated to support TRID implementation and
2 that portion which shall be dedicated for general government
3 purposes.

4 (1.1) A public transportation agency may not use the
5 revenue for a transit capital investment outside of a
6 designated TRID except if the investment is necessary and
7 integral to achieve an approved TRID implementation
8 objective.

9 (2) Local municipalities, school districts and the
10 county shall establish an amortization schedule for receipt,
11 investment and expenditure of any TRID tax incremental
12 revenues[, not to exceed 20 years,] similar to [the <--
13 amortization schedule], BUT NOT LIMITED BY, THE FINANCING OF <--
14 COSTS PROVISIONS in the act of July 11, 1990 (P.L.465,
15 No.113), known as the Tax Increment Financing Act. [However,
16 where a municipal or joint municipal authority has been
17 created, it shall be responsible for fixing the amortization
18 schedule and for defining the TRID capital improvement plan.]
19 Incremental tax revenue generated by a TRID property may be
20 directed for use in TRID projects for up to 20 years from the <--
21 date a property is designated as a TRID., INCLUDING FOR USE <--
22 IN FINANCING A BOND OR NOTE THE PROCEEDS OF WHICH ARE USED IN
23 TRID PROJECTS, FOR UP TO 20 YEARS FROM THE DATE A PROPERTY IS
24 DESIGNATED AS A PARCEL THAT WILL CONTRIBUTE TAX REVENUE IN A
25 TRID.

26 (3) FOR THE PURPOSES OF THIS ACT, PROJECT COSTS AND THE
27 FINANCING THEREOF SHALL BE REGARDED AS LIKE AND SIMILAR TO
28 THE PROVISIONS DELINEATED IN THE TAX INCREMENT FINANCING ACT.

29 Section 3. The act is amended by adding a chapter to read:

30 CHAPTER 8

1 CAPTURE OF TRID TAX REVENUE

2 Section 801. Definitions.

3 The following words and phrases when used in this chapter
4 shall have the meanings given to them in this section unless the
5 context clearly indicates otherwise:

6 "Baseline year." The calendar year the department approved
7 the TRID as a recipient of tax revenue generated within the
8 TRID.

9 "Bond." The term includes a note, instrument, refunding note
10 or other evidence of indebtedness or obligation.

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

12 "Eligible project." Development or improvement within a
13 TRID, including construction, infrastructure and site
14 preparation, reconstruction or renovation of a facility within a
15 TRID which will result in economic development or transit-
16 oriented development in accordance with the TRID and the TRID
17 planning study.

18 "Eligible tax." As follows:

19 (1) Any of the following taxes if generated within an
20 area of not more than 100 acres, comprised of parcels
21 designated by the management entity:

22 (i) Corporate net income tax, capital stock and
23 franchise tax or bank shares tax, calculated and
24 apportioned as to amount attributable to the location
25 within the TRID and calculated under section 1904-B(b)
26 and (c) of the act of March 4, 1971 (P.L.6, No.2), known
27 as the Tax Reform Code of 1971.

28 (ii) Sales and use tax, only to the extent the tax
29 is related to the activity of a qualified business within
30 the TRID.

1 (iii) Personal income tax withheld from its
2 employees by a qualified business for work performed in
3 the TRID.

4 (iv) Tax paid to the Commonwealth related to the
5 sale of liquor, wine or malt or brewed beverages in the
6 TRID.

7 (v) Real estate taxes.

8 (2) The term does not include cigarette tax.

9 "Qualified business." As follows:

10 (1) An entity located or partially located in a TRID
11 which meets the requirements of all of the following:

12 (i) Has conducted an active trade or business in the
13 TRID.

14 (ii) Appears on the timely filed list under section
15 805(a).

16 (2) A construction contractor engaged in construction,
17 including infrastructure or site preparation, reconstruction
18 or renovation of a facility located in or partially in the
19 TRID.

20 (3) The term does not include an agent, broker or
21 representative of a business.

22 "TRID fund." A TRID fund established under section 806.
23 Section 802. Approval.

24 (a) Submission.--A management entity may apply to the
25 Department of Community and Economic Development to establish a
26 TRID fund for the purposes of funding an eligible project or for
27 covering debt service payments related to debt incurred to fund
28 an eligible project.

29 (b) Agencies.--The Department of Community and Economic
30 Development, IN CONSULTATION WITH THE OFFICE OF THE BUDGET AND <--

1 THE DEPARTMENT OF REVENUE, shall approve two applications within
2 six months of the effective date of this section and may approve
3 additional applications thereafter.

4 (c) Approval schedule.--The Department of Community and
5 Economic Development shall develop a schedule for the approval
6 of applications provided that an application under this section
7 shall be approved or disapproved within 90 days of the postmark
8 date of the submission. An application which is not disapproved
9 within the time period under this subsection shall be deemed to
10 be approved.

11 (d) Reapplication.--If an application is not approved under
12 this section, the applicant may revise the application and plan
13 and reapply for approval.

14 Section 803. Additional powers of management entities.

15 In addition to other powers and functions of management
16 entities granted under this act, a management entity shall have
17 the power to borrow money for the purposes of executing a TRID
18 or TRID planning study for which a TRID fund has been approved
19 under section 802.

20 Section 804. Prohibition on management entities.

21 A member of the management entity may not receive money
22 directly or indirectly from the TRID fund.

23 Section 805. Qualified businesses.

24 (a) List.--By June 1 following the end of the baseline year,
25 and for every year thereafter, each management entity shall WORK <--
26 IN CONSULTATION WITH THE DEPARTMENT TO DEVELOP A LIST OF
27 BUSINESSES AND file with the department a complete list of all
28 businesses located in the TRID and all construction contractors
29 engaged in construction, reconstruction or renovation of a
30 facility in the TRID in the prior calendar year. The list shall

1 include for each business address, State tax identification
2 number and parcel number and a map of the TRID with parcel
3 numbers. NOTHING IN THIS SUBSECTION SHALL REQUIRE THE DEPARTMENT <--
4 TO DISCLOSE INFORMATION THAT IS PROTECTED BY LAW FROM
5 DISCLOSURE.

6 (b) Time.--If the list under subsection (a) is not timely
7 provided to the department, no eligible State tax shall be
8 certified by the department for the prior calendar year-, UNLESS <--
9 THE MANAGEMENT ENTITY REQUESTS AN EXTENSION FROM THE DEPARTMENT.
10 THE EXTENSION SHALL BE REQUESTED AT LEAST 30 DAYS PRIOR TO THE
11 DATE SPECIFIED IN SUBSECTION (A) AND MAY NOT BE FOR A PERIOD
12 LONGER THAN 30 DAYS UNLESS SPECIFICALLY APPROVED BY THE
13 DEPARTMENT.

14 Section 806. Funds.

15 (a) Notice.--Following the approval of an application under
16 section 802, the management entity shall notify the State
17 Treasurer.

18 (b) Establishment.--Upon receipt of notice under subsection
19 (a), the State Treasurer shall establish for each TRID a special
20 fund for the benefit of the management entity to be known as the
21 TRID Fund. Interest income derived from investment of money in a
22 fund shall be credited by the State Treasury to the fund.

23 Section 807. Reports.

24 (a) TRID report.--By June 15 following the baseline year and
25 each year thereafter, each qualified business shall file a
26 report with the department in a form or manner required by the
27 department which includes all of the following:

28 (1) Amount of each eligible tax which was paid to the
29 Commonwealth by the qualified business in the prior calendar
30 year.

1 (2) Amount of each eligible tax refund received from the
2 Commonwealth in the prior calendar year by the qualified
3 business.

4 (b) Penalties.--

5 (1) Failure to file a timely and complete report under
6 subsection (a) may result in the imposition of a penalty of
7 the lesser of:

8 (i) ten percent of all eligible tax due the taxing
9 authority in the prior calendar year; or

10 (ii) one thousand dollars.

11 (2) A penalty for a violation of subsection (a) shall be
12 imposed, assessed and collected by the department under
13 procedures set forth in Article II of the act of March 4,
14 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.
15 Money collected under this paragraph shall be deposited in
16 the General Fund.

17 (3) NO PENALTIES SHALL BE IMPOSED UNDER THIS SECTION ON <--
18 QUALIFIED BUSINESSES FOR A YEAR IN WHICH THE AMOUNT CERTIFIED
19 FOR THE TRID EXCEEDS \$350,000.

20 Section 808. Calculation of baseline.

21 (a) Baseline tax.--By October 15 following the end of the
22 baseline year and for each year thereafter, the department shall
23 verify the State baseline tax amount which consists of 75% of
24 the following:

25 (1) For qualified businesses that file timely TRID
26 reports under section 807, the amount of eligible State tax
27 paid, less eligible State tax refunds.

28 (2) For qualified businesses not included under
29 paragraph (1) but located or partially located in the TRID as
30 determined by the department or included in the information

1 received by the department under section 807(a), the amount
2 of eligible State tax paid, less eligible State tax refunds.

3 (b) Moves and noninclusions.--

4 (1) This subsection applies to a qualified business
5 that:

6 (i) moves into a zone from within this Commonwealth
7 after the baseline year; or

8 (ii) is in a zone but not included in the
9 calculation of the State baseline tax under subsection
10 (a).

11 (2) A qualified business subject to paragraph (1) shall
12 file a TRID report under section 807 following the end of the
13 first full calendar year in which the qualified business
14 conducted business in the TRID and each calendar year
15 thereafter. The amount of eligible State tax verified by the
16 department for the qualified business for the prior calendar
17 year shall be added to the State baseline tax amount for the
18 zone for the prior calendar year and each year thereafter.

19 (3) The calculation under this section may not include
20 the eligible taxes of a qualifying business moving into the
21 TRID from outside this Commonwealth.

22 Section 809. Certification.

23 (a) Amounts.--By the October 15 following the baseline year,
24 and each year thereafter, the department shall do all of the
25 following for the prior calendar year:

26 (1) Make the following calculation for qualified
27 businesses which file TRID reports under section 807(a),
28 separately for each TRID:

29 (i) Subtract:

30 (A) the amount of eligible State tax refunds

1 received; from
2 (B) the amount of eligible State tax paid.
3 (ii) Subtract:
4 (A) the State tax baseline amount for the zone;
5 from
6 (B) the difference under subparagraph (i).
7 (2) Certify to the Office of the Budget the difference
8 under paragraph (1)(ii).

9 (b) Content.--

10 (1) The certification may include the following:
11 (i) Adjustment made to timely filed TRID reports by
12 the department for eligible State tax actually paid by a
13 qualified business in the prior calendar year.

14 (ii) Eligible State tax refunds paid to a qualified
15 business in the TRID in a prior calendar year.

16 (iii) State tax penalties paid by a qualified
17 business in the prior year under section 807(b).

18 (2) The certification shall not include the following:

19 (i) Tax paid by a qualified business that did not
20 file a timely TRID report under section 807(a).

21 (ii) Tax paid by a qualified business whose tax was
22 not included in the State tax baseline amount calculation
23 under section 808.

24 (iii) Tax paid by a qualifying business not
25 appearing on a timely filed list under section 805(a).

26 (C) LIMITATION.--THE DEPARTMENT MAY NOT BE REQUIRED TO <--
27 CALCULATE OR CERTIFY STATE TAX AMOUNTS IN EXCESS OF \$350,000 PER
28 ANNUM FOR EACH TRID.

29 Section 810. Transfers.

30 (a) Office.--Within 10 days of receiving the certification

1 from the department under section 809, the Office of the Budget
2 shall direct the State Treasurer to transfer the amount of
3 certified eligible TRID tax not to exceed \$350,000 per annum
4 from the General Fund to each TRID fund.

5 (b) State Treasurer.--Within 10 days of receiving direction
6 under subsection (a), the State Treasurer shall pay into the
7 TRID fund the amount directed under subsection (a) until bonds
8 OR NOTES issued to finance the construction, including related <--
9 infrastructure and site preparation, reconstruction or
10 renovation of a facility or other eligible project in the TRID
11 are retired.

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

13 (1) If the transfers under subsection (a) are
14 insufficient to make payments on the bonds OR NOTES issued <--
15 under section 811(a)(1) for the calendar year when the
16 transfers are made, the management entity shall notify the
17 Department of Community and Economic Development, the Office
18 of the Budget and the department of the amount of additional
19 money necessary to make payments on the bonds OR NOTES. <--

20 (2) The notification under paragraph (1) must be
21 accompanied by a detailed account of the management entity's
22 expenditures and the calculation which resulted in the
23 request for additional money. The Department of Community and
24 Economic Development, the Office of the Budget or the
25 department may request additional information from the
26 management entity and shall jointly verify the proper amount
27 of money necessary to make the payments on the bonds OR <--
28 NOTES.

29 (3) Notwithstanding 53 Pa.C.S. § 5607(e) (relating to
30 purposes and powers) within 90 days of the date of the

1 notification request, the Office of the Budget shall direct
2 the State Treasurer to establish a restricted account within
3 the General Fund. The Office of the Budget shall direct the
4 State Treasurer to transfer the amount verified under
5 paragraph (2) from the General Fund to the restricted account
6 for the use of the management entity to make payments on the
7 bonds OR NOTES issued under section 811(a)(1). <--

8 (4) Money transferred under paragraph (3):

9 (i) shall be limited to \$100,000; and

10 (ii) must occur in the first seven calendar years
11 following the baseline year.

12 (5) Under extraordinary circumstances, a management
13 entity may request money in excess of the limitations under
14 paragraph (4)(i). The Department of Community and Economic
15 Development, the Office of the Budget and the department
16 shall determine whether the circumstances merit additional
17 money and the amount to be transferred. The money shall be
18 transferred under the procedure under this section.

19 (6) Money transferred under paragraph (3) OR (5) shall <--
20 be repaid to the General Fund by the management entity. If

21 money transferred under paragraph (3) is not repaid to the
22 General Fund by the management entity by the date of the
23 final payment on the bonds OR NOTES originally issued under <--
24 section 811(a)(1), the municipality or county and the transit
25 agency which established the management entity shall pay, in
26 equal shares, the money not repaid to the General Fund plus
27 an additional penalty of 10% of the amount outstanding on the
28 date of the final payment on the bonds OR NOTES originally <--
29 issued under section 811(a)(1).

30 Section 811. Restrictions.

1 (a) Utilization.--If the use was approved in an application
2 filed under section 802, money transferred under section 810 may
3 only be utilized for the following:

4 (1) Payment of debt service on bonds OR NOTES issued for <--
5 the construction, including related infrastructure and site
6 preparation, reconstruction or renovation of a facility in
7 the TRID.

8 (2) Construction, including related infrastructure and
9 site preparation, reconstruction or renovation of all or a
10 part of a facility.

11 (3) Replenishment of amounts in debt service reserve
12 funds established to pay debt service on bonds OR NOTES. <--

13 (4) Improvement or development of all or part of a TRID.

14 (5) Improvement projects, including fixtures and
15 equipment for a facility owned by a public authority.

16 (b) Excess money.--

17 (1) If the amount of money transferred to the fund under
18 section 810 in any one calendar year exceeds the money
19 utilized under this section in that calendar year, the
20 management entity shall submit by January 15 following the
21 end of the calendar year the excess money to the State
22 Treasurer for deposit into the General Fund.

23 (2) At the time of submission to the State Treasurer,
24 the management entity shall submit to the State Treasurer,
25 the Office of the Budget and department a detailed accounting
26 of the calculation resulting in the excess money.

27 (3) The excess money shall be credited to the management
28 entity and applied to the amount required to be repaid under
29 section 810(c)(6) until there is full repayment.

30 (c) Matching funds.--

1 (1) The amount of money transferred from the TRID fund
2 utilized for the construction, including related site
3 preparation and infrastructure, reconstruction or renovation
4 of facilities shall be matched by other sources of funding at
5 a ratio of two fund dollars to one private dollar BY A SOURCE <--
6 OTHER THAN A TRID FUND.

7 (2) By April 1, following the baseline year and for each
8 year thereafter, the management entity shall file an annual
9 report with the Department of Community and Economic
10 Development, the Office of the Budget and the department that
11 contains detailed account of the fund money expenditures and
12 the expenditures of funds from other sources and a
13 calculation of the ratio in paragraph (1) for the prior
14 calendar year. The agencies shall determine whether
15 sufficient funding from other sources was utilized.

16 (3) If it is determined that insufficient funding from
17 other sources was utilized under paragraph (1), the amount of
18 TRID fund money utilized under paragraph (1) in the prior
19 calendar year shall be deducted from the next transfer of the
20 fund.

21 Section 812. Duration.

22 A TRID fund shall be in effect for:

23 (1) the amount of time required to complete any approved
24 eligible project for which debt was not incurred; or

25 (2) a period equal to the length of time for the
26 repayment of debt incurred for the TRID, including bonds OR <--
27 NOTES issued. Bonds OR NOTES shall be paid no later than 30 <--
28 years following the initial issuance of the bonds OR NOTES. <--

29 Section 813. Commonwealth pledges.

30 (a) Pledge.--If and to the extent the management entity

1 pledges amounts required to be transferred to its TRID fund
2 under section 810 for payment of bonds OR NOTES issued by the <--
3 management entity, until all ~~bonds~~ DEBT secured by the pledge of <--
4 the management entity, together with interest on the ~~bonds~~ DEBT, <--
5 are fully paid or provided for, the Commonwealth pledges to and
6 agrees with any person, firm, corporation or government agency,
7 in this Commonwealth or elsewhere and pledges to and agrees with
8 any Federal agency subscribing to or acquiring the bonds OR <--
9 NOTES of the contracting authority that the Commonwealth will
10 not, nor will it authorize any government entity to, do any of
11 the following:

12 (1) Abolish or reduce the size of the TRID.

13 (2) Amend or repeal section 808 or 809.

14 (3) Limit or alter the rights vested in the management
15 entity in a manner inconsistent with the obligations of the
16 management entity with respect to the ~~bonds~~ DEBT issued by <--
17 the management entity.

18 (4) Impair revenue to be paid under this chapter to the
19 management entity necessary to pay debt service on bonds OR <--
20 NOTES.

21 (b) Limitation.--Nothing under this section shall limit the
22 authority of the Commonwealth to change the rate, base or
23 subject of a specific tax or to repeal or enact any tax.

24 Section 814. Confidentiality.

25 (a) Sole use.--A TRID report or certification under this
26 chapter shall only be used by the management entity, the
27 Department of Community and Economic Development, the Office of
28 the Budget or the department to verify the amount of the State
29 tax baseline amount calculated under section 808 and State tax
30 certification under section 809.

1 (b) Prohibition.--Use of a TRID report other than as
2 provided under subsection (a) shall be prohibited and shall be
3 subject to the law applicable to the confidentiality of tax
4 records.

5 Section 815. Guidelines.

6 The Department of Community and Economic Development, the
7 Office of the Budget and the department shall develop and
8 publish guidelines necessary to implement this chapter.

9 Section 4. Section 901 of the act is amended to read:

10 Section 901. Public meeting to explain TRID and alternative
11 implementation approaches.

12 Community and public involvement in the establishment of
13 TRIDs is required. The municipality and the public
14 transportation agency shall jointly conduct at least one public
15 meeting in the proposed TRID area prior to the enactment of a
16 TRID[,] and TRID planning study[, comprehensive plan or zoning
17 amendment]. The meeting is intended to explain the purpose and
18 components of the TRID and the alternative implementation
19 approaches. The public meeting or meetings shall be in addition
20 to any required local government public hearing or hearings
21 prior to comprehensive or multimunicipal plan amendment
22 adoption. However, nothing in this act shall relieve the [TRID
23 management entity] municipality or public transportation entity
24 from conducting all public meetings required by law where the
25 TRID is acting or seeking to act under the:

26 (1) Act of May 24, 1945 (P.L.991, No.385), known as the
27 Urban Redevelopment Law.

28 (2) Act of July 11, 1990 (P.L.465, No.113), known as the
29 Tax Increment Financing Act.

30 (3) Act of December 20, 2000 (P.L.949, No.130), known as

1 the Neighborhood Improvement District Act.

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