
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1920 Session of
2021

INTRODUCED BY GAINNEY, A. DAVIS, FREEMAN, SANCHEZ AND CIRESI,
SEPTEMBER 28, 2021

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 28, 2021

AN ACT

1 Amending the act of July 11, 1990 (P.L.465, No.113), entitled
2 "An act providing for the creation of tax increment
3 districts; providing for additional powers and duties to be
4 exercised by redevelopment authorities and by industrial and
5 commercial development authorities; authorizing the creation
6 and approval of project plans for tax increment financing;
7 providing for the establishment of a tax increment base;
8 allocating the payment of positive tax increments; providing
9 for the financing of project costs; and providing for the
10 issuance of tax increment bonds and notes," further providing
11 for definitions, for creation of tax increment districts and
12 approval of project plans and for financing of project costs.

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

15 Section 1. The definitions of "project" and "project costs"
16 in section 3 of the act of July 11, 1990 (P.L.465, No.113),
17 known as the Tax Increment Financing Act, are amended to read:

18 Section 3. Definitions.

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

22 * * *

23 "Project." The undertakings and activities of an authority

1 in and antidisplacement activities within or outside a tax
2 increment district for the elimination and prevention of the
3 development or spread of blight, which may include property
4 acquisition, clearance, redevelopment, rehabilitation or
5 conservation in or, in the case of antidisplacement activities,
6 within or outside a tax increment district, or a combination or
7 part thereof in accordance with a project plan.

8 "Project costs." Any expenditures made or estimated to be
9 made or monetary obligations incurred or estimated to be
10 incurred which are listed in a project plan as costs of public
11 works or improvements or residential, commercial or industrial
12 development or revitalization within or antidisplacement
13 activities within or outside a tax increment district, plus any
14 costs incidental thereto. Project costs include, but are not
15 limited to:

16 (1) Capital costs, including the actual costs of the
17 construction of public works or improvements or residential,
18 commercial or industrial development or revitalization, new
19 buildings, structures and fixtures; the demolition,
20 alteration, remodeling, repair or reconstruction of existing
21 buildings, structures and fixtures; the acquisition, upgrade
22 or rehabilitation of machinery and equipment; and the
23 acquisition, clearing and grading of land. Capital costs also
24 include the actual cost of the construction, rehabilitation
25 or repair of publicly owned infrastructure improvements
26 located outside the boundaries of a tax increment district
27 which are of direct benefit to a project.

28 (2) Financing costs, including all costs of issuance of
29 tax increment bonds or notes, reserve funds for tax increment
30 bonds or notes, all interest paid to holders of evidences of

1 indebtedness issued to pay for project costs, and any premium
2 paid over the principal amount thereof because of the
3 redemption of such obligations prior to maturity.

4 (3) Real property assembly costs, meaning any deficit
5 incurred resulting from the sale or lease as lessor by the
6 authority of real property within a tax increment district
7 for consideration which is less than its cost to the
8 authority.

9 (4) Professional service costs, including those costs
10 incurred for architectural, planning, engineering and legal
11 advice and services.

12 (5) Administrative costs, including reasonable charges
13 for the time spent by employees of a municipality or an
14 authority in connection with the implementation of a project
15 plan.

16 (6) Relocation costs[.] and antidisplacement activities,
17 including, but not limited to, direct and indirect costs,
18 for:

19 (i) The creation or preservation of affordable
20 housing.

21 (ii) The creation or preservation of affordable
22 commercial space.

23 (iii) Affirmative marketing strategies.

24 (iv) Land banking activities.

25 (v) First right of return programs.

26 (vi) Foreclosure and rental assistance.

27 (vii) Job linkage and workforce programs.

28 (viii) Public realm improvements.

29 (ix) Financial and homeownership counseling.

30 (7) Organizational costs, including the costs of

1 conducting environmental impact and other studies and the
2 costs of informing the public with respect to the creation of
3 tax increment districts and the implementation of project
4 plans.

5 (8) Costs which are found to be necessary or convenient
6 to the creation of tax increment districts or the
7 implementation of project plans, or for the reimbursement of
8 prior expenditures made for any of the costs under this
9 definition.

10 * * *

11 Section 2. Sections 5(a)(6)(ii) and 9(d) of the act are
12 amended to read:

13 Section 5. Creation of tax increment districts and approval of
14 project plans.

15 (a) General rule.--A tax increment district shall be created
16 in the following manner:

17 * * *

18 (6) In order to create a district and adopt a project
19 plan, the governing body of the municipality which will
20 create the tax increment district shall adopt, not earlier
21 than three weeks after the public hearing described in
22 paragraph (5) has been held, a resolution or ordinance which:

23 * * *

24 (ii) Creates the district as of a given date. A tax
25 increment district may exist for a period not to exceed
26 [20] 25 years, unless an amendment is made to the project
27 plan under paragraph (8).

28 * * *

29 Section 9. Financing of project costs.

30 * * *

1 (d) Amount and term.--Tax increment bonds or notes may not
2 be issued in an amount exceeding the aggregate project costs.
3 The bonds or notes shall mature over a period not exceeding [20]
4 25 years from the date of issue. The principal and interest on
5 the bonds and notes may be payable at any time and at any place.
6 The bonds or notes may be payable to bearer or may be registered
7 as to the principal or principal and interest. The bonds or
8 notes may be in any denominations. The bonds or notes may be
9 sold at public or private sale.

10 * * *

11 Section 3. This act shall take effect in 60 days.