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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1064 Session of  
2023

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INTRODUCED BY INNAMORATO, HILL-EVANS, GIRAL, MADDEN, CIRESI,  
SANCHEZ, KINKEAD, BENHAM AND DEASY, APRIL 28, 2023

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REFERRED TO COMMITTEE ON FINANCE, APRIL 28, 2023

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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.