

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1064 Session of 2023

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

AS REPORTED FROM COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 21, 2024

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 AND THE <--
18 SECTION IS AMENDED BY ADDING DEFINITIONS to read:

19 Section 3. Definitions.

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

1 "ANTI-DISPLACEMENT ACTIVITIES." PROJECTS, PROGRAMS AND <--
2 OPERATIONS THAT PREVENT OR COMPENSATE FOR THE EFFECTS OF
3 INVOLUNTARY RELOCATION OF A RESIDENT OR BUSINESS FROM THE
4 RESIDENT'S OR BUSINESS'S CURRENT LOCATION WHERE THE RESIDENT OR
5 BUSINESS OTHERWISE WOULD WANT TO REMAIN IF NOT FOR SOCIOECONOMIC
6 AND ENVIRONMENTAL PRESSURES THAT MAKE STAYING INFEASIBLE OR
7 UNDESIRABLE.

8 "AREA OF IMPACT." THE TERM INCLUDES THE AREA OF THE PROJECT,
9 AND THE PROXIMATE SURROUNDING AREA, AS OUTLINED IN THE PROJECT
10 PLAN APPROVED BY THE GOVERNING BODY.

11 * * *

12 "Project." The undertakings and activities of an authority
13 in ~~and antidisplacement activities within or outside~~ a tax <--
14 increment district for the elimination and prevention of the
15 development or spread of blight, which may include property
16 acquisition, clearance, redevelopment, rehabilitation or
17 conservation in ~~or, in the case of antidisplacement activities,~~ <--
18 ~~within or outside~~ a tax increment district, or a combination or
19 part thereof in accordance with a project plan. THE TERM <--
20 INCLUDES ANTI-DISPLACEMENT ACTIVITIES IN THE TAX INCREMENT
21 DISTRICT AND AREA OF IMPACT, AS DESCRIBED IN THE PROJECT PLAN.

22 "Project costs." Any expenditures made or estimated to be
23 made or monetary obligations incurred or estimated to be
24 incurred which are listed in a project plan as costs of public
25 works or improvements or residential, commercial or industrial
26 development or revitalization **[within]** ~~or antidisplacement ANTI-~~ <--
27 DISPLACEMENT activities within or outside a tax increment <--
28 district, plus any costs incidental thereto. Project costs
29 include, but are not limited to:

30 (1) Capital costs, including the actual costs of the

1 construction of public works or improvements or residential,
2 commercial or industrial development or revitalization, new
3 buildings, structures and fixtures; the demolition,
4 alteration, remodeling, repair or reconstruction of existing
5 buildings, structures and fixtures; the acquisition, upgrade
6 or rehabilitation of machinery and equipment; and the
7 acquisition, clearing and grading of land. Capital costs also
8 include the actual cost of the construction, rehabilitation
9 or repair of publicly owned infrastructure improvements
10 located outside the boundaries of a tax increment district
11 which are of direct benefit to a project.

12 (2) Financing costs, including all costs of issuance of
13 tax increment bonds or notes, reserve funds for tax increment
14 bonds or notes, all interest paid to holders of evidences of
15 indebtedness issued to pay for project costs, and any premium
16 paid over the principal amount thereof because of the
17 redemption of such obligations prior to maturity.

18 (3) Real property assembly costs, meaning any deficit
19 incurred resulting from the sale or lease as lessor by the
20 authority of real property within a tax increment district
21 for consideration which is less than its cost to the
22 authority.

23 (4) Professional service costs, including those costs
24 incurred for architectural, planning, engineering and legal
25 advice and services.

26 (5) Administrative costs, including reasonable charges
27 for the time spent by employees of a municipality or an
28 authority in connection with the implementation of a project
29 plan.

30 (6) Relocation costs[.] ~~and antidisplacement activities,~~<--

1 ~~including, but not limited to, direct and indirect costs,~~
2 ~~for:~~

3 ~~(i) The creation or preservation of affordable~~
4 ~~housing.~~

5 ~~(ii) The creation or preservation of affordable~~
6 ~~commercial space.~~

7 ~~(iii) Affirmative marketing strategies.~~

8 ~~(iv) Land banking activities.~~

9 ~~(v) First right of return programs.~~

10 ~~(vi) Foreclosure and rental assistance.~~

11 ~~(vii) Job linkage and workforce programs.~~

12 ~~(viii) Public realm improvements.~~

13 ~~(ix) Financial and homeownership counseling. ANTI- <--~~
14 ~~DISPLACEMENT. ANTI-DISPLACEMENT ACTIVITY COSTS ALSO~~
15 ~~INCLUDE THE AREA OF IMPACT AS DESCRIBED IN THE PROJECT~~
16 ~~PLAN.~~

17 (7) Organizational costs, including the costs of
18 conducting environmental impact and other studies and the
19 costs of informing the public with respect to the creation of
20 tax increment districts and the implementation of project
21 plans.

22 (8) Costs which are found to be necessary or convenient
23 to the creation of tax increment districts or the
24 implementation of project plans, or for the reimbursement of
25 prior expenditures made for any of the costs under this
26 definition.

27 * * *

28 ~~Section 2. Sections 5(a)(6)(ii) and 9(d) of the act are <--~~
29 ~~amended to read:~~

30 SECTION 2. SECTIONS 5(A)(4)(I) AND (6)(I) AND (II) AND 9(D) <--

1 OF THE ACT ARE AMENDED TO READ:

2 Section 5. Creation of tax increment districts and approval of
3 project plans.

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

6 * * *

7 (4) THE AUTHORITY SHALL PREPARE A PROJECT PLAN FOR EACH <--
8 TAX INCREMENT DISTRICT AND SUBMIT THE PLAN TO THE GOVERNING
9 BODY OF THE MUNICIPALITY WHICH WILL CREATE THE DISTRICT AND
10 TO THE GOVERNING BODY OF ANY OTHER MUNICIPALITY OR SCHOOL
11 DISTRICT THAT LEVIES PROPERTY TAXES WITHIN THE BOUNDARIES OF
12 THE PROPOSED DISTRICT. THE PLAN SHALL INCLUDE THE FOLLOWING:

13 (I) A STATEMENT LISTING THE KIND, NUMBER AND
14 LOCATION OF ALL PROPOSED PUBLIC WORKS OR IMPROVEMENTS
15 AND/OR ALL RESIDENTIAL, COMMERCIAL OR INDUSTRIAL
16 DEVELOPMENT AND REVITALIZATION IMPROVEMENTS AND ANTI-
17 DISPLACEMENT ACTIVITIES.

18 * * *

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

24 * * *

25 (I) DESCRIBES THE BOUNDARIES OF A TAX INCREMENT <--
26 DISTRICT WITH SUFFICIENT DEFINITENESS TO IDENTIFY WITH <--
27 ORDINARY AND REASONABLE CERTAINTY THE TERRITORY INCLUDED.
28 THE GOVERNING BODY SHALL TAKE CARE THAT THE BOUNDARIES
29 INCLUDE ONLY THOSE WHOLE UNITS OF PROPERTY ASSESSED FOR
30 GENERAL PROPERTY TAX PURPOSES. THE GOVERNING BODY SHALL

1 ALSO DESCRIBE ANY AREA OF IMPACT OUTSIDE THE DISTRICT
2 WHERE ANTI-DISPLACEMENT ACTIVITIES MAY OCCUR.

3 (ii) Creates the district as of a given date. A tax
4 increment district may exist for a period not to exceed
5 [20] 25 years, unless an amendment is made to the project
6 plan under paragraph (8).

7 * * *

8 Section 9. Financing of project costs.

9 * * *

10 (d) Amount and term.--Tax increment bonds or notes may not
11 be issued in an amount exceeding the aggregate project costs.
12 The bonds or notes shall mature over a period not exceeding [20]
13 25 years from the date of issue. The principal and interest on
14 the bonds and notes may be payable at any time and at any place.
15 The bonds or notes may be payable to bearer or may be registered
16 as to the principal or principal and interest. The bonds or
17 notes may be in any denominations. The bonds or notes may be
18 sold at public or private sale.

19 * * *

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