

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2183 Session of
2014

INTRODUCED BY HARHART, MCNEILL, LONGIETTI, FREEMAN, MILLARD,
SCHLOSSBERG, BIZZARRO, SAYLOR, ROZZI, GINGRICH, EVANKOVICH,
MURT AND CLYMER, APRIL 17, 2014

REFERRED TO COMMITTEE ON COMMERCE, APRIL 17, 2014

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in city revitalization and improvement zones,
11 further providing for definitions, for establishment of
12 contracting authority, for approval and for calculation of
13 baseline.

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

16 Section 1. The definitions of "contracting authority" and
17 "pilot zone" in section 1802-C of the act of March 4, 1971
18 (P.L.6, No.2), known as the Tax Reform Code of 1971, added July
19 9, 2013 (P.L.270, No.52), are amended and the section is amended
20 by adding definitions to read:

21 Section 1802-C. Definitions.

22 The following words and phrases when used in this article
23 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

3 "Contracting authority." Either of the following:

4 (1) An authority established under 53 Pa.C.S. Ch. 56
5 (relating to municipal authorities) by a city or home rule
6 county for the purpose of:

7 [(1)] (i) designating zones; and

8 [(2)] (ii) engaging in the construction, including
9 related site preparation and infrastructure,
10 reconstruction or renovation of facilities.

11 (2) An industrial and commercial development authority,
12 subject to the requirements of section 1803-C(d).

13 * * *

14 "Deteriorated property." Any blighted, impoverished area
15 containing residential, industrial, commercial or other real
16 property that is abandoned, unsafe, vacant, undervalued,
17 underutilized, overgrown, defective, condemned or demolished or
18 which contains economically undesirable land use.

19 * * *

20 "Industrial and commercial development authority." An
21 industrial and commercial development authority created pursuant
22 to section 4 of the act of August 23, 1967 (P.L.251, No.102),
23 known as the Economic Development Financing Law.

24 * * *

25 "Pilot zone." An area of not more than 130 acres designated
26 by the contracting authority following application and approval
27 by the Department of Community and Economic Development, the
28 office and the department which will provide economic
29 development and job creation within either of the following:

30 (1) a township or borough, with a population of at least

1 7,000 based on the most recent Federal decennial census[.];
2 or

3 (2) two or three contiguous municipalities, including at
4 least one township and at least one borough and not including
5 any city, which have a combined population of at least
6 30,000, but not more than 60,000, based on the most recent
7 Federal decennial census.

8 "Pilot zone management committee." An intermunicipal
9 committee formed by an ordinance of the governing bodies of two
10 or three contiguous municipalities for the purposes of making
11 official recommendations to an industrial and commercial
12 development authority with regard to:

13 (1) designating zones; and

14 (2) engaging in the construction, including related site
15 preparation and infrastructure, reconstruction or renovation
16 of facilities.

17 * * *

18 Section 2. Section 1803-C of the act is amended by adding
19 subsections to read:

20 Section 1803-C. Establishment of contracting authority.

21 * * *

22 (d) Industrial and commercial development authorities.--An
23 industrial and commercial development authority may serve as a
24 contracting authority for the purpose of applying for and
25 operating a pilot zone, if all of the following apply:

26 (1) The pilot zone will include property in more than
27 one municipality.

28 (2) The industrial and commercial development authority
29 has been authorized by ordinance of the governing bodies of
30 each municipality that will be included in the pilot zone to

1 make application and operate the pilot zone under this
2 article.

3 (3) The municipalities that will be included in the
4 pilot zone have formed a pilot zone management committee
5 which includes representation from each municipality.

6 (e) Approval of action.--An industrial and commercial
7 development authority serving as a contracting authority under
8 subsection (d) may not take any action authorized under section
9 1806-C without prior approval of both the pilot zone management
10 committee and, by majority vote, the governing body of the
11 municipality within which the action will occur.

12 Section 3. Section 1804-C(b) and (c) of the act, added July
13 9, 2013 (P.L.270, No.52), are amended to read:

14 Section 1804-C. Approval.

15 * * *

16 (b) Agencies.--The Department of Community and Economic
17 Development, the office and the department must approve each
18 application. Preference shall be given to zone plans that
19 include greater amounts of deteriorated property, to the extent
20 that the Department of Community and Economic Development
21 determines that the economic development plan for the zone is
22 viable.

23 (c) Approval schedule.--The Department of Community and
24 Economic Development shall develop a schedule for the approval
25 of applications under this section as follows:

26 (1) Following the effective date of this paragraph,
27 applications for two initial zones may be approved.

28 (2) Beginning in 2016, applications for two additional
29 zones may be approved each calendar year.

30 (3) Following the effective date of this paragraph, the

1 Department of Community and Economic Development, the office
2 and the department, may approve [one pilot zone] two pilot
3 zones, at least one of which shall include more than one
4 municipality.

5 * * *

6 Section 4. Section 1810-C of the act is amended by adding a
7 subsection to read:

8 Section 1810-C. Calculation of baseline.

9 * * *

10 (a.1) Local baseline tax.--By October 15 following the end
11 of the baseline year and for each year thereafter, a local
12 taxing authority collecting an eligible tax within a zone shall
13 verify the local baseline tax amount which consists of the
14 following:

15 (1) For qualified businesses that file timely local zone
16 reports under section 1809-C(b), the amount of eligible tax
17 paid to the local taxing authority, less eligible tax refunds
18 paid by the local taxing authority.

19 (2) For qualified businesses not included under
20 paragraph (1) but located or partially located in the zone as
21 determined by the local taxing authority or included in the
22 information received by the local taxing authority under
23 section 1809-C(b), the amount of eligible tax paid to the
24 local taxing authority, less eligible tax refunds paid by the
25 local taxing authority.

26 * * *

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