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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2858 Session of  
1998

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INTRODUCED BY REINARD, PETRONE, J. TAYLOR, MARSICO, PIPPY, LEH  
AND STURLA, OCTOBER 6, 1998

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AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 24, 1998

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AN ACT

1 ~~Establishing~~ RELATING TO CITIES OF THE FIRST CLASS, ESTABLISHING <—  
2 Neighborhood Improvement Districts; conferring powers and  
3 duties on municipal corporations and neighborhood improvement  
4 districts; AND providing for annual audits; ~~and making~~ <—  
5 ~~repeals.~~ AND FOR TOURISM AND MARKETING. <—

TABLE OF CONTENTS

6  
7 Section 1. Short title.  
8 Section 2. Legislative findings.  
9 Section 3. Definitions.  
10 Section 4. Powers of municipal corporation.  
11 Section 5. Creation of neighborhood improvement district.  
12 Section 6. Creation of neighborhood improvement district  
13 management association.  
14 Section 7. Powers of neighborhood improvement district  
15 management association.  
16 Section 8. Dissolution of neighborhood improvement district  
17 management association and neighborhood  
18 improvement district.

1 Section 9. Annual audit; report.

2 ~~Section 10. Applicability.~~ <—

3 ~~Section 11. Effective date.~~

4 SECTION 10. TOURISM AND MARKETING TAX. <—

5 SECTION 11. SPECIAL TOURISM AND MARKETING TAX FUND.

6 SECTION 12. APPLICABILITY.

7 SECTION 13. EFFECTIVE DATE.

8 The General Assembly of the Commonwealth of Pennsylvania

9 hereby enacts as follows:

10 Section 1. Short title.

11 This act shall be known and may be cited as the ~~Neighborhood~~ <—

12 COMMUNITY AND ECONOMIC Improvement ~~District~~ Act. <—

13 Section 2. Legislative findings.

14 The General Assembly finds that:

15 (1) Existing tax rates in many municipalities are at or  
16 near their statutory cap.

17 (2) The General Fund revenue derived from these taxes  
18 many times is not sufficient to provide adequate municipal  
19 services or additional services needed in specific geographic  
20 areas within the municipality, including, but not limited to,  
21 downtown commercial districts.

22 (3) As a result, municipalities should be encouraged to  
23 create, where feasible and desired, assessment-based  
24 neighborhood improvement districts which would include, but  
25 not be limited to, downtown commercial districts. Designated  
26 district management associations would initiate and  
27 administer programs to promote and enhance more attractive  
28 and safer commercial, industrial, residential and mixed-use  
29 neighborhoods; economic growth; increased employment  
30 opportunities; and improved commercial, industrial, business

1 districts and business climates.

2 (4) Municipalities should be given the broadest possible  
3 discretion in establishing by local ordinance the type of  
4 assessment-based programs most consistent with neighborhood  
5 needs, goals and objectives, as determined and expressed by  
6 property owners in the designated district.

7 Section 3. 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 "Authority." A body politic and corporate, created pursuant  
12 to the act of May 2, 1945 (P.L.382, No.164), known as the  
13 Municipality Authorities Act of 1945.

14 "Benefited property." Those properties located within a  
15 neighborhood improvement district which profit from district  
16 improvements based on a rational nexus test. Properties need not  
17 profit equally to be considered to have benefited.

18 "Bonds." The term shall include the notes, bonds and other  
19 evidence of indebtedness or obligations which each municipal  
20 corporation is authorized to issue under section 4(5).

21 "Business improvement." In the case of neighborhood  
22 improvement district management associations created for the  
23 purpose of making improvements or providing administrative  
24 services within a neighborhood improvement district, the term  
25 shall mean those improvements needed in specific areas or to  
26 individual properties, including, but not limited to, sidewalks,  
27 retaining walls, street paving, parks, recreational equipment  
28 and facilities, open space, street lighting, parking lots,  
29 parking garages, trees and shrubbery, pedestrian walks, sewers,  
30 water lines, rest areas and the acquisition and rehabilitation

1 or demolition of blighted buildings or structures.

2 "Business improvement district." A business improvement  
3 district (BID) created prior to the effective date of this act  
4 governed by the act of May 2, 1945 (P.L.382, No.164), known as  
5 the Municipality Authorities Act of 1945, insofar as it relates  
6 to business improvement districts or 53 Pa.C.S. Ch. 54 (relating  
7 to business improvement districts). On or after the effective  
8 date of this act, the term shall mean a limited, geographical  
9 area comprised of real property which is used for any for-profit  
10 activity involving trade and traffic, or commerce in general.

11 "Commercial." Relating to or associated with any for-profit  
12 activity involving trade and traffic, or commerce in general.

13 "Construction expenditures." Property and right-of-way  
14 acquisition costs where applicable.

15 "Costs of improvements." The term includes architectural  
16 fees, engineering fees, attorney fees, consulting fees,  
17 professional fees, preliminary planning expenditures,  
18 feasibility study expenditures, financing costs and any other  
19 expenditures necessary and incidental to the development,  
20 construction or completion of the improvement.

21 "District Advisory Council." A committee comprised of  
22 property owners from a neighborhood improvement district  
23 established under section 7(a), for the purpose of providing  
24 guidance and direction to the neighborhood improvement district  
25 management association concerning association activities within  
26 the district.

27 "Industrial district." A limited, geographical area  
28 comprised of real property which is used predominantly for  
29 manufacturing, commercial or any other activity related to the  
30 distribution of goods and services and intermediate and final

1 products, including, but not limited to, warehousing, shipping,  
2 transportation, remanufacturing, stockpiling of raw materials,  
3 repair and maintenance of machinery and equipment, storage,  
4 administration or business activities, and research and  
5 development.

6 "Institution." The term includes, but is not limited to,  
7 colleges, universities, schools, hospitals, museums, theaters,  
8 churches, synagogues, art centers or similar facilities.

9 "Institutional district." A limited, geographical area  
10 comprised predominantly of real property on which educational,  
11 health-related or cultural activities occur within buildings and  
12 structures, including, but not limited to, colleges,  
13 universities, schools, hospitals, museums, theaters, churches,  
14 synagogues and art centers.

15 "Mixed-use district." A limited, geographical area comprised  
16 of real property used for any or all purposes contained within a  
17 business, residential, industrial or institutional district.

18 "Municipal corporation." The body or board authorized by law  
19 to enact ordinances or adopt resolutions for ~~the particular~~ <—  
20 ~~municipality~~ A CITY OF THE FIRST CLASS. <—

21 "Municipality." Any city, ~~borough, incorporated town,~~ <—  
22 ~~township, home rule, optional plan or optional charter~~  
23 ~~municipality,~~ OF THE FIRST CLASS located within this <—  
24 Commonwealth.

25 "Neighborhood." A limited geographic area within a  
26 municipality establishing a neighborhood improvement district,  
27 the limits of which form the neighborhood improvement district  
28 boundary.

29 "Neighborhood improvement." Improvements needed in specific  
30 geographic areas or to individual properties within those areas,

1 including, but not limited to, sidewalks, retaining walls,  
2 street paving, parks, recreational equipment and facilities,  
3 open space, street lighting, parking lots, trees and shrubbery,  
4 sewers, water lines, rest areas and the acquisition and  
5 rehabilitation or demolition of deteriorated buildings or  
6 structures.

7 "Neighborhood improvement district." A limited geographic  
8 area within a municipality, in which a special assessment is  
9 levied on all designated property, other than tax-exempt  
10 property, for the purpose of promoting the economic and general  
11 welfare of the district and the municipality, hereinafter  
12 referred to as NID. Such districts shall be referred to  
13 generally as neighborhood improvement district (NID) and  
14 specifically as: business improvement district (BID);  
15 residential improvement district (RID); industrial improvement  
16 district (IID); institutional improvement district (INID); or  
17 mixed-use improvement district (MID) depending on the type  
18 district established.

19 "Neighborhood improvement district management association."  
20 The governing body which oversees the management of neighborhood  
21 improvement districts in a municipality as established under  
22 section 5 which hereinafter shall be referred to as the NIDMA.  
23 Such body shall be incorporated as a nonprofit corporation in  
24 this Commonwealth or an authority as established pursuant to the  
25 act of May 2, 1945 (P.L.382, No.164), known as the Municipality  
26 Authorities Act of 1945.

27 "Neighborhood improvement district plan." The strategic plan  
28 for neighborhood improvements required by section 5, hereinafter  
29 referred to as NIDP, and all projects, programs and supplemental  
30 services to be provided within the district to implement the

1 plan by the neighborhood improvement district management  
2 association.

3 "Neighborhood improvement district services." In the case of  
4 neighborhood improvement district management associations  
5 created for the purpose of making improvements or providing  
6 expanded services within any neighborhood business improvement  
7 districts established, the term shall include, but not be  
8 limited to, those services which improve the ability of the  
9 commercial establishments within the district to serve the  
10 consumer, such as free or reduced-fee parking for customers,  
11 transportation-related expenses, public relations programs,  
12 group advertising, and district maintenance and security  
13 services. For services provided within any residential,  
14 industrial, institutional, or mixed-use neighborhood improvement  
15 district, the term shall include, but not be limited to, those  
16 services which improve the ability of property owners to enjoy a  
17 safer and more attractive neighborhood through the provision of  
18 increased or expanded services, including street lighting,  
19 street cleaning, street maintenance, parks, recreational  
20 equipment and facilities, open space and/or security services.

21 "Nonprofit corporation." A legal entity that is incorporated  
22 within this Commonwealth and specifies in its charter or bylaws  
23 that no part of the net earnings may benefit any private  
24 shareholder or individual holding interest in such entity.

25 "Private security officer." Any person or firm employed by  
26 the neighborhood improvement district management association for  
27 the purpose of providing increased security or protective patrol  
28 services within the neighborhood improvement district. The term  
29 may include off-duty police officers provided that the use of  
30 such officers for this purpose is approved by the governing body

1 of the municipality in which the neighborhood improvement  
2 district is located or the municipality where the officer is  
3 employed if different.

4 "Project." The acquisition, development, construction,  
5 improvement, rehabilitation, operation and/or maintenance of any  
6 building, facility, equipment or structure, by purchase, lease  
7 or contract, by a neighborhood improvement district management  
8 association to facilitate neighborhood and business improvements  
9 as authorized by this act.

10 "Rational nexus." The legal principle which requires that  
11 there is a rational, definable benefit which accrues to any  
12 property owner assessed a fee for said benefit in a neighborhood  
13 improvement district created under this act. All property owners  
14 within a designated neighborhood improvement district paying a  
15 special assessment fee must benefit directly or indirectly from  
16 facilities or services provided by a neighborhood improvement  
17 district management association within the neighborhood  
18 improvement district, provided, however, that property owners  
19 need not benefit equally.

20 "REGIONAL ATTRACTIONS MARKETING AGENCY." THE AGENCY  
21 DESIGNATED BY THE COUNCIL OF THE CITY IN WHICH THE CONVENTION  
22 CENTER IS LOCATED TO SERVE AS THE REGIONAL MARKETING  
23 ORGANIZATION FOR TOURISM AND RELATED MATTERS. IN CITIES OF THE  
24 FIRST CLASS, THE GREATER PHILADELPHIA TOURISM MARKETING  
25 CORPORATION SHALL SERVE AS THE REGIONAL ATTRACTIONS MARKETING  
26 AGENCY. ←

27 "Residential district." A limited, geographical area  
28 comprised of real property consisting predominantly of buildings  
29 and structures for housing individuals and families, including,  
30 but not limited to, single family detached homes, single family

1 semi-detached homes, townhouses, condominiums, apartments,  
2 manufactured homes, modular homes or any combination of same.

3 "Service area." The area within the boundaries of the  
4 neighborhood improvement district established by a municipality  
5 under this act, in which the neighborhood improvement district  
6 management association provides programs, services and  
7 improvements. The term may also include an area outside of the  
8 neighborhood improvement district where services are being  
9 provided by the neighborhood improvement district management  
10 association under contract.

11 "Special assessment fee." The fee assessed on property  
12 owners within a neighborhood improvement district, levied by the  
13 municipality establishing a neighborhood improvement district,  
14 under section 4(8), for the purposes of providing programs,  
15 improvements and services, under section 7.

16 "Sunset provision." The term means a provision in the  
17 neighborhood improvement district plan, under section 5(c),  
18 establishing a neighborhood improvement district, which provides  
19 for the automatic termination of the neighborhood improvement  
20 district on a date specified in the neighborhood improvement  
21 district plan and in the municipal ordinance establishing the  
22 neighborhood improvement district. The neighborhood improvement  
23 district may be continued beyond that date, provided the  
24 municipal enabling ordinance creating the original neighborhood  
25 improvement district is reenacted, following a review of the  
26 neighborhood improvement district and the neighborhood  
27 improvement district management association programs and  
28 services provided within the neighborhood improvement district,  
29 by the municipality.

30 Section 4. Powers of municipal corporation.

1 Every municipal corporation shall have the power:

2 (1) To establish within the municipality an area or  
3 areas designated as an NID.

4 (2) To establish an authority to administer the NID or  
5 to designate an existing community development corporation or  
6 other existing nonprofit corporation to administer same or to  
7 create a community development corporation or other nonprofit  
8 corporation to administer same, under sections 6 and 7.

9 (3) To appropriate and expend, in accordance with the  
10 specific provisions of the municipal enabling ordinance,  
11 municipal funds as may be required to:

12 (i) Acquire by purchase or lease real or personal  
13 property deemed necessary to effectuate the purposes of  
14 the NID.

15 (ii) Prepare or have prepared preliminary planning  
16 or feasibility studies to determine needed improvements  
17 in an NID, including, but not limited to, capital  
18 improvements, traditional streetscape and building  
19 renovations, retaining walls, street paving, street  
20 lighting, parking lots, parking garages, trees and  
21 shrubbery, pedestrian walks, sewers, water lines, rest  
22 areas, acquisition, rehabilitation or demolition of  
23 blighted buildings and structures, graffiti removal,  
24 security, marketing, promotions, advertising, business  
25 retention and recruitment activities, master leasing and  
26 property management, joint advertising, research and  
27 planning, as well as the provision of additional services  
28 to supplement, not replace, existing municipal services  
29 provided within the NID.

30 (4) To advance funds to a NIDMA as may be required to

1 carry out the purposes of this act.

2 (5) To collect special property assessments on behalf of  
3 the NIDMA levied on designated property owners within the  
4 NID, and to employ any legal methods to insure collection of  
5 the assessments.

6 (6) To acquire by gift, purchase or eminent domain,  
7 land, real property, or rights-of way, which may be needed  
8 for the purposes of making physical improvements within the  
9 NID.

10 (7) To issue bonds, notes or guarantees, in accordance  
11 with the provisions of general laws in the amounts and for  
12 the periods necessary, to finance needed improvements within  
13 any NID.

14 (8) To review all proposed expenditures of funds within  
15 NIDs by NIDMAS and suggest changes to same where a nonprofit  
16 corporation is the NIDMA.

17 (9) To include a sunset provision of no less than five  
18 years in the municipal enabling ordinance creating the NID  
19 and in the contract with the NIDMA.

20 (10) To levy an assessment fee on property owners  
21 located within an NID needed to finance additional  
22 supplemental programs, services and improvements to be  
23 provided or made by the NIDMA.

24 Section 5. Creation of neighborhood improvement district.

25 (a) Establishment.--

26 (1) The governing body of the municipality, or any  
27 municipal businesses, or residents, or combination thereof,  
28 may initiate action to establish an NID or NIDs within the  
29 municipality, under this act.

30 (2) In the case of businesses, or residents, or both

1 desiring to establish an NID, where the municipality has not  
2 taken action to do so, the governing body of the municipality  
3 may be petitioned to establish an NID, under the procedures  
4 provided for by this act.

5 (3) In no case, where the governing body of a  
6 municipality is petitioned to establish an NID under  
7 paragraph (2), shall the municipality be required to  
8 establish an NID.

9 (b) Specific procedures.--

10 (1) A copy of everything required under this section, as  
11 well as the date, location and time of any public hearing  
12 required by this act, shall be provided by the municipal  
13 corporation to all property owners and lessees of property  
14 owners located in the proposed NID, at least 30 days prior to  
15 the first public hearing required by this section.

16 (2) At least one public hearing, no earlier than 15 days  
17 apart, for the purpose of receiving public comment from  
18 affected property owners within the proposed NID, on the  
19 proposed NIDP, shall be held by the municipality before the  
20 establishment of an NID. Notice of the hearing shall be  
21 advertised at least ten days prior thereto in a newspaper of  
22 general circulation in the municipality.

23 (3) Any objections by property owners within the  
24 proposed NID must be made in writing, by persons representing  
25 the ownership of 51%, in numbers, of the benefited properties  
26 within the NID, or by property owners within the proposed NID  
27 whose property valuation, as assessed for taxable purposes,  
28 shall amount to 51% of the total property valuation within  
29 the NID. Objections must be signed by the property owner and  
30 filed in the office of the clerk for the governing body of

1 the municipality in which the NID is proposed.

2 (c) Contents of preliminary plan.--The plan shall include  
3 the following:

4 (1) A map indicating the boundaries by street of the  
5 proposed NID.

6 (2) A written report from the municipality containing:

7 (i) The name of the proposed district.

8 (ii) A detailed description of the service areas of  
9 the proposed district.

10 (iii) A list of all properties to be assessed.

11 (iv) A list of proposed improvements within the NID,  
12 and their estimated cost.

13 (v) A proposed budget for the first fiscal year,  
14 including, but not limited to, the following: personnel  
15 and administration, programs and services, maintenance  
16 and operation, and capital expenditures.

17 (vi) The proposed revenue sources for financing all  
18 proposed improvements, programs and services.

19 (vii) The estimated time for implementation and  
20 completion of all proposed improvements, programs and  
21 services.

22 (viii) A statement identifying the administrative  
23 body which will govern and administer the NID.

24 (ix) Any other information, including the statutory  
25 authority, or, in the case of a nonprofit corporation,  
26 the bylaws, which describe the powers and duties of and  
27 the method for making decisions by the NIDMA.

28 (x) The method of determining the amount of the  
29 assessment fee to be levied on property owners within the  
30 NID under section 7.

1 (3) In addition, the plan shall also:

2 (i) Identify in detail the specific duties and  
3 responsibilities of both the NIDMA and the municipal  
4 corporation with respect to the NID.

5 (ii) Require that a written agreement be signed by  
6 the municipal corporation and the NIDMA describing in  
7 detail their respective duties and responsibilities.

8 (iii) Allow for and encourage tax-exempt property  
9 owners located within the NID to provide in-kind services  
10 or a financial contribution to the NIDMA, if not  
11 assessed, in lieu of a property assessment fee.

12 (iv) Require in the agreement between the municipal  
13 corporation and the NIDMA that the municipality must  
14 maintain the same level of municipal programs and  
15 services provided within the NID before NID designation  
16 as after NID designation.

17 (v) Allow the municipal corporation the right to  
18 include in the agreement with the NIDMA and in the  
19 enabling ordinance establishing the NID a sunset  
20 provision of no less than five years for renewal of the  
21 agreement.

22 (vi) Require in the agreement with the NIDMA that  
23 the municipality establishing an NID shall be responsible  
24 for the collection of all property assessment fees levied  
25 within the NID, if so desired by the NIDMA.

26 (vii) Provide that a negative vote of at least 51%  
27 of the property owners within the NID, or property owners  
28 within the NID whose property valuation as assessed for  
29 taxable purposes amounts to 51% of the total property  
30 valuation located within the NID proposed in the final

1 plan, shall be required to defeat the establishment of  
2 the proposed NID by filing objections with the clerk for  
3 the governing body of the municipality within 45 days of  
4 presentation of the final plan, where the governing body  
5 of municipality is inclined to establish the NID.

6 (d) Final plan.--Prior to the establishment of an NID, the  
7 municipality shall submit a revised final plan to property  
8 owners located within the proposed NID, which incorporates  
9 changes made to the plan, based on comments from affected  
10 property owners within the NID, provided at the public hearings  
11 or at some other time. Changes to the final plan, which differ  
12 from the preliminary plan, shall also be so indicated in an  
13 easily discernible method for the reader, including, but not  
14 limited to, changes being in boldfaced or italicized type.

15 (e) Public hearing.--At least one public hearing for the  
16 purpose of receiving public comment on any revisions to the  
17 preliminary plan made following suggestions by affected property  
18 owners within the proposed NID and reflected in the final NIDP  
19 shall be held by the municipal corporation before enacting an  
20 ordinance establishing an NID. Notice of the hearing shall be  
21 advertised at least ten days prior thereto in a newspaper of  
22 general circulation in the municipality.

23 (f) Veto of final plan for NID.--

24 (1) Following the last public hearing required under  
25 subsection (e) or under subsection (g), if an amendment to  
26 the final plan, affected property owners located within a  
27 proposed NID shall have 45 days from the date of the hearing  
28 to object to and disapprove the final plan or any amendment  
29 to the final plan under the requirements of subsection

30 (b)(3).

1           (2) If 51% or more of the affected property owners or  
2 property owners whose property valuation as assessed for  
3 taxable purposes amounts to 51% of the total property  
4 valuation within the proposed NID fail to register their  
5 disapproval of the final plan or amendment to the final plan  
6 in writing with the clerk of the governing body of the  
7 municipality in which the NID is proposed, the governing body  
8 of the municipality may, following the 45-day period, enact a  
9 municipal ordinance establishing an NID under this act, or in  
10 the case of an amendment to the final plan, adopt any  
11 amendments to the ordinance.

12       (g) Amendments to final plan.--

13           (1) The final plan may be amended by the NIDMA any time  
14 after the establishment of an NID, pursuant to the provisions  
15 of this act, upon the recommendation of the NIDMA board,  
16 provided there is concurrence with the owners of at least 51%  
17 of the assessed valuation of all property within the NID or  
18 51% of the property owners within the NID.

19           (2) Amendments to the final plan which also require the  
20 approval of the governing body of the municipality  
21 establishing the NID, include:

22           (i) Substantially changed or added programs,  
23 improvements and/or services to be provided in the NID.

24           (ii) Increased expenditures affecting more than 25%  
25 of the total NIDMA budget for the fiscal year.

26           (iii) Incurring increased indebtedness.

27           (iv) Changing the assessment fee structure levied on  
28 property owners in the NID.

29           (v) Changing the legal entity (NIDMA) which provides  
30 programs, improvements and services within the NID.

1 (vi) Changing the NID service area boundary.  
2 Prior to the governing body of the municipality approving any  
3 of the changes in this paragraph, the governing body shall  
4 hold at least one public hearing to determine that such  
5 changes are in the public interest as it relates to affected  
6 property owners within the NID.

7 (3) The municipality shall provide public notice of the  
8 hearing for any amendments, by publication of a notice, in at  
9 least one newspaper having a general circulation in the NID,  
10 specifying the time and the place of such hearing and the  
11 amendments to be considered. This notice shall be published  
12 once at least 10 days prior to the date of the hearing.

13 (4) The governing body of the municipality may, within  
14 30 days following the public hearing and at its sole  
15 discretion, approve or disapprove of any amendments to the  
16 plan. If approved, such amendments shall be effective upon  
17 the date of such approval.

18 (5) Prior to the adoption of any amendment to the NID  
19 boundary which increases the size of the NID, any owner of  
20 property to be added to the NID shall be notified of the  
21 date, time and location of the public hearing on the proposed  
22 amendment to the final plan, and provided all information  
23 required by subsection (c).

24 Section 6. Creation of neighborhood improvement district  
25 management association.

26 (a) Association designated.--When a municipality establishes  
27 an NID under this act, a neighborhood improvement district  
28 management association shall be designated by the governing body  
29 of the municipality in which the NID is to be located to  
30 administer programs, improvements and services within the NID.

1 (b) Administration.--

2 (1) NIDs created pursuant to this act shall be  
3 administered by an NIDMA which shall be an authority created  
4 pursuant to the act of May 2, 1945 (P.L.382, No.164), known  
5 as the Municipality Authorities Act of 1945, an existing  
6 nonprofit development corporation, an existing nonprofit  
7 corporation or a nonprofit development corporation or  
8 nonprofit corporation established by the governing body or  
9 authorized to be established by the governing body of the  
10 municipality in which the NID is to be located, to administer  
11 the NIDP.

12 (2) If an active nonprofit development corporation  
13 already exists within the geographic boundaries of the NID  
14 and formally indicates its interest to the governing body of  
15 the municipality to become the designated NIDMA, the  
16 governing body of the municipality shall grant that request  
17 unless 51% or more of the affected property owners or  
18 property owners whose property valuation as assessed for  
19 taxable purposes amounts to 51% of the total property  
20 valuation within the proposed NID register their disapproval  
21 of this designation in writing with the clerk of the  
22 governing body within a 45-day period following the formal  
23 written request for designation by the nonprofit development  
24 corporation to become the NIDMA.

25 (c) Powers.--An NIDMA created under this act shall assume  
26 all powers provided for in section 7 immediately upon the  
27 effective date of the municipal ordinance enacted under section  
28 4 creating an NID.

29 (d) Board.--Every NIDMA shall have an administrative board.

30 (1) Where an authority created pursuant to the

1 Municipality Authorities Act of 1945 serves as the NIDMA, the  
2 board shall be appointed pursuant to the Municipality  
3 Authorities Act of 1945.

4 (2) Where an existing nonprofit development corporation  
5 or other nonprofit corporation is to serve as the NIDMA, the  
6 board shall be appointed according to the bylaws of the NIDMA  
7 filed with the Department of State.

8 (3) Where a nonprofit development corporation or other  
9 nonprofit corporation is established to serve as the NIDMA  
10 for an NID, the board shall be comprised of an odd number of  
11 members, between five and nine, with at least one member  
12 representing the municipal corporation in which the NID is  
13 located.

14 (4) In all cases, NIDMA boards shall include a  
15 representative of property owners located in the NID,  
16 business owners located in the NID and any institutions  
17 located in the NID. Institutional members may appoint a  
18 designee to represent them. All board members need not be  
19 residents of the NID.

20 Section 7. Powers of neighborhood improvement district  
21 management association.

22 (a) General powers.--A NIDMA shall have, in addition to any  
23 other powers provided pursuant to the act of May 2, 1945  
24 (P.L.382, No.164), known as the Municipality Authorities Act of  
25 1945, where the NIDMA is an authority, or in addition to any  
26 other powers provided pursuant to the charter establishing a  
27 nonprofit development corporation or other nonprofit  
28 corporation, where the NIDMA is a nonprofit development  
29 corporation or other nonprofit corporation, the power to:

30 (1) Sue or be sued, implead or be impleaded, complain

1 and defend in all courts.

2 (2) Employ an executive director or administrator and  
3 any necessary supporting staff or contract for the provision  
4 of same.

5 (3) Prepare planning or feasibility studies or contract  
6 for the preparation of same, to determine needed capital  
7 improvements or administrative programs and services within  
8 the NID.

9 (4) Make capital improvements or provide administrative  
10 programs and services within an NID.

11 (5) Purchase, own, construct, renovate, develop,  
12 operate, rehabilitate, manage, sell and/or dispose of real  
13 property.

14 (6) Contract with existing businesses within the NID.

15 (7) Contract for the provision of products or services  
16 by the NIDMA to clients located inside and outside of the  
17 NID, including billing and collection of assessment fees by  
18 another NIDMA.

19 (8) Appropriate and expend NID funds which would include  
20 any Federal, State or municipal funds received by the NIDMA.  
21 The funds shall be expended in accordance with any specific  
22 provisions contained in the municipal enabling ordinance  
23 establishing the NID and may be used:

24 (i) To acquire by purchase or lease real or personal  
25 property to effectuate the purposes of this act,  
26 including making common improvements within the NID,  
27 including, but not limited to, sidewalks, retaining  
28 walls, street paving, parks, recreational equipment and  
29 facilities, open space, street lighting, parking lots,  
30 parking garages, trees and shrubbery, pedestrian walks,

1 sewers, water lines, rest areas and the acquisition,  
2 rehabilitation or demolition of blighted buildings or  
3 comparable structures.

4 (ii) To provide free or reduced-fee parking for  
5 customers of businesses within the NID; transportation-  
6 related expenditures, public relations programs, group  
7 advertising and NID maintenance and security services.

8 (iii) To impose special assessment fees.

9 (9) Solicit in-kind services or financial contributions  
10 from tax-exempt property owners within the NID in lieu of  
11 property assessment fees. This may include entering into  
12 voluntary multiyear agreements (VMAs) between the NIDMA and  
13 tax-exempt property owners located within an NID, for the  
14 provision of same.

15 (10) Impose liens on property for the nonpayment of  
16 property assessments. NIDs administered by nonprofit  
17 corporations would have any such liens filed by the municipal  
18 corporation.

19 (11) Hire additional off-duty police officers or private  
20 security officers, whose patrol area responsibilities would  
21 be limited to the geographical area incorporated within the  
22 designated NID service area and whose responsibility would be  
23 to support existing municipal and volunteer efforts aimed at  
24 reducing crime and improving security in the NID.

25 (12) Designate a district advisory committee, referred  
26 to as the DAC, for each NID established within the  
27 municipality. Each DAC shall consist of an odd number of  
28 members, between five and nine, who shall be representative  
29 of the neighborhood's character, including, but not limited  
30 to, age, sex and cultural diversity.

1 (b) Assessments.--

2 (1) The NIDMA shall, upon approval by the governing body  
3 of the municipality, have the power to assess property owners  
4 within the NID a special property assessment fee. Revenues  
5 from the fee shall be accounted for and used by the NIDMA to  
6 make improvements and provide programs and services within  
7 the NID as authorized by this act. Where the district  
8 established is a BID, the NIDMA shall have the authority to  
9 exempt residential property owners from any special  
10 assessment fees levied.

11 (2) All assessments authorized under this section shall  
12 be calculated using January 1 as the first day of the fiscal  
13 year.

14 (3) All special property assessment fees shall be based  
15 upon the estimated cost of the programs, improvements or  
16 services to be provided in such NID as stated in the final  
17 plan under section 5(d). In no case shall the aggregate  
18 amount of all fees levied by the NIDMA during the year exceed  
19 the estimated cost of proposed programs, improvements and  
20 services for the year.

21 (4) In the case of an NID which contains a combination  
22 of business, residential, industrial and/or institutional  
23 areas and uses, a weighted assessment may be instituted. In  
24 such case, the fee levied on property owners generally may be  
25 weighted higher for business, industrial or institutional  
26 properties than that levied on residential property owners,  
27 provided the basis for the calculation of the fee meets the  
28 rational nexus test.

29 (5) The total costs of improvements, programs and  
30 administrative services provided by the NIDMA shall be

1 assessed to all designated properties within the NID by one  
2 of the following methods:

3 (i) An assessment determined by multiplying the  
4 total service and improvement costs by the ratio of the  
5 assessed value of the benefited property to the total  
6 assessed valuation of all designated benefited properties  
7 in the NID.

8 (ii) An assessment upon the several properties in  
9 the NID in proportion to benefits as ascertained by  
10 viewers appointed in accordance with law.

11 (iii) Any method that equitably apportions costs  
12 among benefiting properties.

13 (iv) In the case of improvements benefiting  
14 properties abutting the NID by the front-foot method,  
15 with equitable adjustments for corner properties and  
16 other cases provided for in the municipal ordinance. Any  
17 property which cannot be equitably assessed by the front-  
18 foot method may be assessed by any of the above methods.

19 (c) Payment.--The governing body may by ordinance authorize  
20 the payment of the assessment in equal annual or more frequent  
21 installments, over such time and bearing interest at the rate  
22 specified in the municipal ordinance. If bonds have been issued  
23 and sold, or notes or guarantees have been given or issued, to  
24 provide for the cost of the services and improvements, the  
25 assessment in equal installments shall not be payable beyond the  
26 term for which the bonds, notes or guarantees are payable.

27 (d) Liens.--

28 (1) Notwithstanding the filing of the claims, all  
29 assessments which are made payable in installments shall  
30 constitute liens and encumbrances upon the respective

1 benefited properties at the beginning of each calendar year,  
2 except as provided in subsection (c), and only in an amount  
3 equal to the sum of:

4 (i) the annual or other installments becoming  
5 payable in such year, with interest and penalties, if  
6 any, thereon; and

7 (ii) the total of all installments, with interest  
8 and penalties thereon, which became due during prior  
9 years and which remain due and unpaid at the beginning of  
10 the current year.

11 (2) In the case of default in the payment of any  
12 installment and interest for a period of 90 days after the  
13 payment becomes due, the assessment ordinance may provide  
14 either for the entire assessment, with accrued interest and  
15 penalties to become due and become a lien from the due date  
16 of the installment, or may provide solely for the enforcement  
17 of the claim as to the overdue installment, with interest and  
18 penalties, in which case the ordinance shall further provide  
19 that, if any installment or portion thereof remains due and  
20 unpaid for one year after it has become due and payable, then  
21 the entire assessment with accrued interest and penalties  
22 shall become due and become a lien from the due date of the  
23 installment.

24 (3) No action taken to enforce a claim for any  
25 installment or installments shall affect the status of any  
26 subsequent installment of the same assessment, each of which  
27 shall continue to become a lien upon the property annually  
28 pursuant to paragraph (1).

29 (4) The ordinance may contain any other provision  
30 relating to installment assessments which is not inconsistent

1 with applicable law.

2 (5) Any owner of property against whom an assessment has  
3 been made may pay the assessment in full at any time, with  
4 accrued interest and costs thereon, and such a payment shall  
5 discharge the lien of the assessment, or installments then  
6 constituting a lien, and shall also release the claim to any  
7 later installments.

8 (6) Claims to secure the assessments shall be entered in  
9 the prothonotary's office of the county at the same time, and  
10 in the same form, and collected in the same manner, as  
11 municipal tax claims are filed and collected, notwithstanding  
12 the provisions of this section as to installment payments.

13 Section 8. Dissolution of neighborhood improvement district  
14 management association and neighborhood  
15 improvement district.

16 (a) Conveying projects.--When any NIDMA shall have finally  
17 paid and discharged all bonds which, together with the interest  
18 due thereon, shall have been secured by a pledge of any of the  
19 revenues or receipts of a project, it may, subject to any  
20 agreements concerning the operation or disposition of such  
21 project and the NIDMA bylaws, convey such project or projects to  
22 the municipal corporation which established or had established  
23 the NIDMA.

24 (b) Request for termination.--Any request for the  
25 termination of the NID and NIDMA approved by 51% of the assessed  
26 property owners, in numbers, located in the NID, shall be  
27 submitted to the governing body of the municipality in writing.  
28 The governing body shall hold a hearing on the merits of same,  
29 pursuant to section 5(b)(2) as it relates to the required  
30 procedure of holding a hearing. Such written request shall be

1 considered by the governing body of the municipality. If the  
2 request is approved by the governing body of the municipality,  
3 then a resolution to that effect shall be filed with the  
4 Secretary of the Commonwealth, and the secretary shall note the  
5 termination of the existence on the record of incorporation and  
6 return the resolution with his or her approval shown on the  
7 resolution to the municipal corporation. Then, the property of  
8 the NIDMA shall pass to the municipal corporation, as the case  
9 may be, and the NIDMA and NID shall cease to exist. Any request  
10 for the termination of the NID and NIDMA by the governing body  
11 of the municipality in which the NID is located shall result in  
12 a hearing on the merits of same, pursuant to section 5(b)(2) as  
13 it relates to the required procedure for holding a hearing.  
14 Before the decision to terminate an NID and NIDMA is made, such  
15 termination must be approved by 51% of the assessed property  
16 owners, in numbers, located in the NID, and shall be submitted  
17 to the governing body of the municipality in writing. Such  
18 written request shall be considered by the governing body of the  
19 municipality. If the request is approved by the governing body  
20 of the municipality, then a resolution to that effect shall be  
21 filed with the Secretary of the Commonwealth, and the secretary  
22 shall note the termination of the existence on the record of  
23 incorporation and return the resolution with his or her approval  
24 shown to the municipal corporation. The property of the NIDMA  
25 shall pass to the municipal corporation, as the case may be, and  
26 the NIDMA and NID shall cease to exist.

27 Section 9. Annual audit; report.

28 The NIDMA shall annually:

29 (1) submit an audit of all income and expenditures to  
30 the Department of Community and Economic Development and the

1 governing body of the municipality in which the NID is  
2 located within 120 days after the end of each fiscal year;  
3 and

4 (2) submit a report, including financial and  
5 programmatic information, including a summary of audit  
6 findings, to the governing body of the municipality in which  
7 the NID is located and to all assessed property owners  
8 located in the NID.

9 SECTION 10. TOURISM AND MARKETING TAX. ←

10 IN ADDITION TO THE HOTEL ROOM RENTAL TAX IMPOSED UNDER  
11 SECTION 23 OF THE ACT OF JUNE 27, 1986 (P.L.267, NO.70), KNOWN  
12 AS THE PENNSYLVANIA CONVENTION CENTER AUTHORITY ACT, AND UNDER  
13 SECTION 202 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS  
14 THE TAX REFORM CODE OF 1971, THE COUNCIL OF THE CITY IN WHICH A  
15 CONVENTION CENTER IS LOCATED IS HEREBY AUTHORIZED TO IMPOSE AN  
16 EXCISE TAX ON THE CONSIDERATION RECEIVED BY EACH OPERATOR OF A  
17 HOTEL WITHIN THE CITY FROM EACH TRANSACTION OF RENTING A ROOM OR  
18 ROOMS TO ACCOMMODATE TRANSIENTS. THE TAX SHALL BE COLLECTED BY  
19 THE OPERATOR FROM THE PATRON OF THE ROOM AND PAID OVER TO THE  
20 CITY PURSUANT TO SECTION 11, AND SHALL BE KNOWN AS THE TOURISM  
21 AND MARKETING TAX. THE RATE OF TAX IMPOSED UNDER THIS SECTION BY  
22 THE COUNCIL OF THE CITY IN WHICH THE CONVENTION CENTER IS  
23 LOCATED SHALL NOT EXCEED 1%.

24 SECTION 11. SPECIAL TOURISM AND MARKETING TAX FUND.

25 THERE SHALL BE DEPOSITED ANNUALLY IN A SPECIAL FUND,  
26 ESTABLISHED PURSUANT TO SECTION 23(E) OF THE ACT OF JUNE 27,  
27 1986 (P.L.267, NO.70), KNOWN AS THE PENNSYLVANIA CONVENTION  
28 CENTER AUTHORITY ACT, FOR THE USE OF THE REGIONAL ATTRACTIONS  
29 MARKETING AGENCY, ALL REVENUES RECEIVED FROM THE TAX IMPOSED  
30 UNDER SECTION 10. ALL EXPENDITURES FROM THE SPECIAL FUND

1 ESTABLISHED UNDER SECTION 23(E) OF THE PENNSYLVANIA CONVENTION  
2 CENTER AUTHORITY ACT SHALL BE USED BY THE REGIONAL ATTRACTIONS  
3 MARKETING AGENCY FOR DIRECT ADVERTISING EFFORTS DIRECTED TOWARDS  
4 ADVERTISING AND PUBLICIZING TOURIST ATTRACTIONS IN THE AREA  
5 SERVED BY THE AGENCY; PROMOTING AND ATTRACTING TOURISM TO  
6 FACILITIES IN THE AREA SERVED BY THE AGENCY; AND PROMOTING AND  
7 OTHERWISE ENCOURAGING THE USE OF THE FACILITIES IN THE AREA  
8 SERVED BY THE AGENCY BY THE PUBLIC AS A WHOLE.

9 Section ~~10~~ 12. Applicability. ←

10 (a) Existing commercial business improvement districts.--The  
11 provisions of this act shall not apply to a business improvement  
12 district established pursuant to the act of May 2, 1945  
13 (P.L.382, No.164), known as the Municipality Authorities Act of  
14 1945, in existence in whole or in part in a city of the first  
15 class prior to the effective date of this act.

16 (b) Existing districts.--Except as provided for in  
17 subsection (e), any existing business improvement district or  
18 downtown improvement district established prior to the effective  
19 date of this act shall remain in existence and shall be governed  
20 by the Municipality Authorities Act of 1945, insofar as it  
21 relates to business improvement districts or 53 Pa.C.S. Ch. 54  
22 (relating to business improvement districts).

23 (c) Districts created subsequently.--Any NID established  
24 subsequent to the effective date of this act shall be governed  
25 by the provisions of this act.

26 (d) Previously terminated districts.--Any business  
27 improvement district or downtown improvement district in  
28 existence prior to the effective date of this act which is  
29 terminated shall, upon its reestablishment, be governed by the  
30 provisions of this act. This shall include any termination

1 resulting from a sunset provision in any municipal agreement or  
2 ordinance.

3 (e) Additional requirements.--Any business improvement  
4 district or downtown improvement district in existence on the  
5 effective date of this act shall:

6 (1) be required to carry out any duty or responsibility  
7 imposed on NIDs under this act; and

8 (2) possess any additional power given to NIDs under  
9 this act without having to restructure or reorganize under  
10 this act.

11 Section ~~11~~ 13. Effective date.

←

12 This act shall take effect in 60 days.