

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1210 Session of 2013

INTRODUCED BY PILEGGI, RAFFERTY, ERICKSON, BROWNE, WOZNIAK, GREENLEAF, FERLO, YUDICHAK, BRUBAKER, SCHWANK AND SMITH, DECEMBER 9, 2013

SENATOR RAFFERTY, TRANSPORTATION, AS AMENDED, MAY 6, 2014

AN ACT

1 Amending the act of December 8, 2004 (P.L.1801, No.238),
2 entitled "An act empowering municipalities, counties and
3 public transportation agencies to work cooperatively to
4 establish Transit Revitalization Investment Districts (TRID),
5 including partnerships with the National Railroad Passenger
6 Corporation requiring planning studies, comprehensive plan
7 and zoning amendments and use of existing statutes and
8 techniques to achieve transit-oriented development,
9 redevelopment, community revitalization and enhanced
10 community character through TRID creation; establishing value
11 capture areas as a means to reserve and use future,
12 designated incremental tax revenues for public transportation
13 capital improvements, related site development improvements
14 and maintenance; promoting the involvement of and
15 partnerships with the private sector in TRID development and
16 implementation; encouraging public involvement during TRID
17 planning and implementation; and providing for duties of the
18 Department of Community and Economic Development," in general
19 provisions, further providing for definitions; in TRID
20 creation and location, further providing for criteria for
21 proposed TRID, for TRID designation, for implementing
22 authority, for TRID planning study factors, for roles and
23 responsibilities of public transportation agencies and
24 municipalities and for amendments to TRID planning study; in
25 land development powers of public transportation agencies,
26 further providing for development or redevelopment of
27 property; in value capture approaches, further providing for
28 creation of value capture area and for dedication of tax
29 revenues; providing for capture of TRID tax revenue; and, in
30 community involvement, further providing for public meeting
31 to explain TRID and alternative implementation approaches.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 103 of the act of December 8, 2004
3 (P.L.1801, No.238), known as the Transit Revitalization
4 Investment District Act, is amended by adding a definition to
5 read:

6 Section 103. Definitions.

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

10 * * *

11 "Management entity." Any of the following:

12 (1) A participating municipality or transit agency.

13 (2) A redevelopment authority, municipal authority,
14 neighborhood improvement district, business improvement
15 district or a similar governmental or nonprofit organization
16 authorized to act in a manner consistent with the TRID
17 planning study and with a services area compatible with the
18 TRID.

19 * * *

20 Section 2. Sections 301, 302, 303, 304, 305, 306, 502, 701
21 and 702 of the act are amended to read:

22 Section 301. Criteria for proposed TRID.

23 Local municipalities, counties, transportation authorities
24 and public transportation agencies proposing to define and
25 develop a TRID shall use the following criteria and process:

26 (1) Eligible TRID locations may include any geographic
27 area of a municipality or municipalities, including vacant,
28 underutilized or potentially redevelopable land, within an
29 area generally formed by a minimum radius of one-eighth mile
30 and not to exceed a radius of one-half mile from a railroad,

1 transit, light rail, busway or similar transit stop or
2 station, measured from the centerline of the track or roadway
3 traversing the station or stop location. TRID designation may
4 also include new station locations proposed in conjunction
5 with a planned public transportation service, as defined on
6 an adopted county, regional or public transportation agency
7 plan.

8 [(2) The specific boundaries of a TRID may be expanded
9 or reduced based on local circumstances such as local
10 economic development and planning goals, community character,
11 property boundary and scale variations but only when:

12 (i) authorized by the governing body or bodies of
13 the affected jurisdiction or jurisdictions in cooperation
14 with the pertinent public transportation agency; and

15 (ii) the rationale for the boundaries is supported
16 by the findings of the required TRID planning study.]

17 (3) A local municipality or municipalities shall
18 [further] define and support the rationale for the TRID
19 designation through a TRID planning study as well as
20 appropriate amendments to the municipal comprehensive plan,
21 zoning ordinance and other pertinent regulations.

22 (4) A local municipality may designate the county
23 planning agency to undertake or assist the TRID planning
24 study on its behalf.

25 (5) An existing neighborhood improvement district, tax
26 increment district or urban renewal area may be used as the
27 basis for the boundaries of a TRID when justified by the TRID
28 planning study required in section 304.

29 Section 302. TRID designation.

30 (a) Designation.--Local municipalities and counties working

1 with public transportation agencies, transportation authorities,
2 AMTRAK, passenger rail transportation providers or any
3 combination thereof may designate TRIDs in advance of
4 implementation of a new public transit service or in conjunction
5 with an existing public transportation service and in advance of
6 or in conjunction with actual development proposals. A TRID and
7 its boundaries shall be established by ordinance.

8 (b) Agreement.--To create a TRID, in addition to the
9 planning study described in section 301(3), the municipality or
10 municipalities shall enter into an agreement with the transit
11 agency that approves the TRID planning study under section
12 301(3) and defines the activities [and], commitments and
13 administrative and management roles of each party to the TRID,
14 including any specific actions or financial participation to
15 help implement the TRID. The agreement shall include the
16 development agreement specified in section 504 as well as a
17 description of the TRID management entity described in section
18 [502(4)] 303.

19 Section 303. [Implementing authority] Management entity.

20 [A participating county, local municipality, transportation
21 authority and public transportation agency may designate on
22 their behalf the county redevelopment authority to assume
23 responsibility for TRID implementation.] The participating local
24 municipality or county and the transit agency shall designate
25 the management entity in the TRID agreement to administer,
26 manage and facilitate the implementation of the TRID planning
27 study.

28 Section 304. TRID planning study factors.

29 The scope and scale of transit improvements and community
30 facility improvements, as well as any needed support facilities,

1 shall be assessed in the TRID planning study. The TRID planning
2 study shall also serve as the basis for a comprehensive plan
3 amendment to establish the TRID if the municipality has a
4 currently adopted comprehensive plan. The following shall apply:

5 (1) The planning study shall consider the need for
6 capital improvements to transit-related facilities and
7 adjacent public infrastructure, including roads, sidewalks
8 and water, sewer and storm drainage service and public
9 facilities, as well as opportunities for private sector real
10 estate development and ways in which such facilities,
11 services and development can be financed.

12 (2) Municipalities and counties undertaking a TRID
13 planning study shall receive priority consideration for
14 planning [and implementation] grants and technical assistance
15 from the department[, working in partnership with the
16 pertinent county planning agency or agencies and other State
17 agencies with grant or loan programs that may be applicable
18 to TRID planning or implementations]. Any funding
19 [appropriated to the Department of Community and Economic
20 Development for the purpose of carrying out this act is
21 intended to assist counties and local governments on a 25%
22 matching basis to undertake TRID planning studies and related
23 implementation activities. Individual grants for a TRID
24 planning study or implementation project shall not exceed
25 \$75,000. The department in consultation with the Department
26 of Transportation shall administer the supplemental TRID
27 program through the existing land use planning and technical
28 assistance program, with application guidance as necessary.]
29 utilized by the department to assist with TRID planning
30 studies, except where otherwise limited by law, shall be

1 awarded on a 25% matching basis.

2 (3) Commonwealth agencies are directed to provide State
3 resources, programs and new capital investments that will
4 assist local governments, transportation authorities and
5 transit agencies to implement TRIDS.

6 Section 305. Roles and responsibilities of public
7 transportation agencies and municipalities.

8 As guidelines to implement the findings and recommendation of
9 the TRID planning study, the following roles and
10 responsibilities are defined:

11 (1) The scope and scale of needed or proposed transit
12 capital improvements within the TRID area are the
13 responsibility of the partnering public transportation
14 agency. The cost, financing, phasing and schedule of all
15 transit-related improvements shall be included in the public
16 transportation agency's adopted capital program.

17 (2) The scope and scale of needed or proposed support
18 facilities, highway accessways and community or neighborhood
19 facility improvements, for example, sidewalks and recreation
20 facilities, are the responsibility of the partnering county
21 and local jurisdiction or jurisdictions and may include
22 support from the private sector.

23 [(3) Notwithstanding these stated roles and
24 responsibilities, the parties to a TRID shall be responsible
25 for defining the administrative and management roles and
26 responsibilities that will be most appropriate to achieve
27 implementation of the TRID in their community.]

28 Section 306. Amendments [to TRID planning study].

29 [Proposed real estate development or redevelopment may
30 trigger additional needs for transit improvements and community

1 facility improvements or support facilities and shall be
2 accommodated through pertinent amendments of the TRID planning
3 study and county, multimunicipal or local municipal
4 comprehensive plan.] If warranted by a changing economic or
5 community condition, planning goal, real estate development,
6 redevelopment opportunity or a demonstrated need for transit or
7 community facility improvement, a TRID or TRID planning study
8 may be amended. THE FOLLOWING SHALL APPLY: <--

9 (1) The boundaries of a TRID may be expanded or reduced
10 by an amendment to the ordinance establishing the TRID and
11 shall be accompanied by justification for the boundary change
12 supported by findings in the original or amended TRID
13 planning study.

14 (2) A TRID planning study may be amended by approval of
15 the municipality ~~or~~, municipalities OR COUNTIES and the <--
16 transit agency that are parties to the TRID designation
17 pursuant to section 302.

18 Section 502. Development or redevelopment of property.

19 Development or redevelopment of property within a TRID shall
20 generally occur in the following manner:

21 (1) The public transportation agency may acquire the
22 property, improve it for future development, such as site
23 clearance, utility work, environmental remediation and
24 similar improvements, and work cooperatively with the
25 pertinent local jurisdiction or jurisdictions and
26 implementing agencies to offer it for sale to the private
27 sector for use or uses consistent with the adopted TRID plan.

28 (2) Alternatively, the public transportation agency may
29 advertise the presence of available development sites within
30 a TRID, including a map of potentially developable or

1 redevelopable properties, and invite interested developers to
2 submit proposals in cooperation with the pertinent local
3 jurisdiction or jurisdictions and implementing agencies.

4 (3) In the case of either paragraph (1) or (2), the
5 public transportation agency may not be the primary real
6 estate developer, and joint development activities are
7 confined to the construction of support and access
8 facilities: that is, vehicular access, parking, pedestrian
9 ways, building pads, foundation columns, signage and similar
10 items.

11 [(4) The partnering TRID local municipality or
12 municipalities shall designate a management entity for the
13 TRID which may be a municipal authority or joint municipal
14 authority, in accordance with the requirements of 53 Pa.C.S.
15 Ch. 56 (relating to municipal authorities) to manage and
16 facilitate TRID implementation. The local municipality or
17 municipalities involved in the TRID shall retain policy and
18 oversight responsibilities for all budgetary and programmatic
19 actions of the designated TRID management entity.]

20 (5) Creative partnerships with AMTRAK, passenger rail
21 transportation providers, transportation authorities and the
22 private sector to accomplish TRID purposes that use the
23 benefits of AMTRAK's and passenger rail service providers'
24 existing real estate development powers are both desirable
25 and encouraged.

26 [(6) Neighborhood improvement districts, business
27 improvement districts or similar entities may be designated
28 to manage the TRID implementation activities.]

29 Section 701. Creation of value capture area.

30 In conjunction with the formal establishment of the TRID

1 boundaries, a coterminous value capture area shall
2 simultaneously be created to enable local municipalities, school
3 districts, the county and the public transportation agency to
4 share the increased tax increment of real estate and other
5 designated tax revenues generated by new real estate investment
6 within the TRID. The participants in the TRID, through the
7 designated management entity, shall develop an administrative
8 and project schedule and budget to implement the project,
9 including future maintenance needs, as defined in the TRID
10 planning study, as well as the shares and use of [such tax] the
11 incremental revenues as are projected to be generated from the
12 TRID value capture area. The participating municipality or
13 municipalities may review and revise the TRID budget.

14 Section 702. Dedication of tax revenues.

15 [Tax] A portion of incremental tax revenues generated within
16 a TRID shall be dedicated to completion and future maintenance
17 of the specific and necessary transit capital and public
18 infrastructure improvements designated in the comprehensive plan
19 amendment and TRID planning study as follows:

20 (1) Local [municipalities and counties shall not use
21 such revenues for general government purposes, and a public
22 transportation agency shall not use such revenues for transit
23 capital investments elsewhere on the public transportation
24 system.] taxing bodies shall approve that portion of revenues
25 which shall be dedicated to support TRID implementation and
26 that portion which shall be dedicated for general government
27 purposes.

28 (1.1) A public transportation agency may not use the
29 revenue for a transit capital investment outside of a
30 designated TRID except if the investment is necessary and

1 integral to achieve an approved TRID implementation
2 objective.

3 (2) Local municipalities, school districts and the
4 county shall establish an amortization schedule for receipt,
5 investment and expenditure of any TRID tax incremental
6 revenues[, not to exceed 20 years,] similar to the
7 amortization schedule in the act of July 11, 1990 (P.L.465,
8 No.113), known as the Tax Increment Financing Act. [However,
9 where a municipal or joint municipal authority has been
10 created, it shall be responsible for fixing the amortization
11 schedule and for defining the TRID capital improvement plan.]
12 Incremental tax revenue generated by a TRID property may be
13 directed for use in TRID projects for up to 20 years from the
14 date a property is designated as a TRID.

15 Section 3. The act is amended by adding a chapter to read:

16 CHAPTER 8

17 CAPTURE OF TRID TAX REVENUE

18 Section 801. Definitions.

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

22 "Baseline year." The calendar year the department approved
23 the TRID as a recipient of tax revenue generated within the
24 TRID.

25 "Bond." The term includes a note, instrument, refunding note
26 or other evidence of indebtedness or obligation.

27 "Department." The Department of Revenue of the Commonwealth.

28 "Eligible project." Development or improvement within a
29 TRID, and located within 100 acres of the transit node,
30 including construction, infrastructure and site preparation,

<--

1 reconstruction or renovation of a facility within a TRID which
2 will result in economic development or transit-oriented
3 development in accordance with the TRID and the TRID planning
4 study.

5 "Eligible tax." As follows:

6 (1) Any of the following taxes IF GENERATED WITHIN AN <--
7 AREA OF NOT MORE THAN 100 ACRES, COMPRISED OF PARCELS
8 DESIGNATED BY THE MANAGEMENT ENTITY:

9 (i) Corporate net income tax, capital stock and
10 franchise tax, OR bank shares tax or business privilege <--
11 tax, calculated and apportioned as to amount attributable
12 to the location within the TRID and calculated under
13 section 1904-B(b) and (c) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971.

15 (ii) Amusement tax, only to the extent the tax is <--
16 related to the activity of a qualified business within
17 the TRID.

18 (iii) (II) Sales and use tax, only to the extent the <--
19 tax is related to the activity of a qualified business
20 within the TRID.

21 (iv) (III) Personal income tax withheld from its <--
22 employees by a qualified business for work performed in
23 the TRID.

24 (v) (IV) Tax paid to the Commonwealth on the sale of <--
25 liquor, wine or malt or brewed beverages in the TRID.

26 (2) The term does not include cigarette tax.

27 "Qualified business." As follows:

28 (1) An entity located or partially located in a TRID, <--
29 and within 100 acres of the transit node, which meets the
30 requirements of all of the following:

1 (i) Has conducted an active trade or business in the
2 TRID.

3 (ii) Appears on the timely filed list under section
4 805(a).

5 (2) A construction contractor engaged in construction,
6 including infrastructure or site preparation, reconstruction
7 or renovation of a facility located in or partially in the
8 TRID.

9 (3) The term does not include an agent, broker or
10 representative of a business.

11 "TRID fund." A TRID fund established under section 806.
12 Section 802. Approval.

13 (a) Submission.--A management entity may apply to the
14 Department of Community and Economic Development to establish a
15 TRID fund for the purposes of funding an eligible project or for
16 covering debt service payments related to debt incurred to fund
17 an eligible project.

18 (b) Agencies.--The Department of Community and Economic
19 Development and the department must approve each application.

20 (c) Approval schedule.--The Department of Community and
21 Economic Development shall develop a schedule for the approval
22 of applications provided that an application under this section
23 shall be approved or disapproved within 90 days of the postmark
24 date of the submission. An application which is not disapproved
25 within the time period under this subsection shall be deemed to
26 be approved.

27 (d) Reapplication.--If an application is not approved under
28 this section, the applicant may revise the application and plan
29 and reapply for approval.

30 Section 803. Additional powers of management entities.

1 In addition to other powers and functions of management
2 entities granted under this act, a management entity shall have
3 the power to borrow money for the purposes of executing a TRID
4 or TRID planning study for which a TRID fund has been approved
5 under section 802.

6 Section 804. Prohibition on management entities.

7 A member of the management entity may not receive money
8 directly or indirectly from the TRID fund.

9 Section 805. Qualified businesses.

10 (a) List.--By June 1 following the end of the baseline year,
11 and for every year thereafter, each management entity shall file
12 with the department a complete list of all businesses located in
13 the TRID and all construction contractors engaged in
14 construction, reconstruction or renovation of a facility in the
15 TRID in the prior calendar year. The list shall include for each
16 business address, State tax identification number and parcel
17 number and a map of the TRID with parcel numbers.

18 (b) Time.--If the list under subsection (a) is not timely
19 provided to the department, no eligible State tax shall be
20 certified by the department for the prior calendar year.

21 ~~(c) Audit. The management entity shall hire an independent~~ <--
22 ~~auditing firm to perform an annual audit verifying all of the~~
23 ~~following:~~

24 ~~(1) The correct amount of the eligible local tax was~~
25 ~~submitted to the local taxing authorities.~~

26 ~~(2) The local taxing authorities transferred the correct~~
27 ~~amount of eligible local tax to the State Treasurer.~~

28 ~~(3) The money transferred to the TRID fund was properly~~
29 ~~expended.~~

30 ~~(4) Verify the correct amount was requested under~~

1 section 810(c).

2 Section 806. Funds.

3 (a) Notice.--Following the approval of an application under
4 section 802, the management entity shall notify the State
5 Treasurer.

6 (b) Establishment.--Upon receipt of notice under subsection
7 (a), the State Treasurer shall establish for each TRID a special
8 fund for the benefit of the management entity to be known as the
9 TRID Fund. Interest income derived from investment of money in a
10 fund shall be credited by the State Treasury to the fund.

11 Section 807. Reports.

12 (a) TRID report.--By June 15 following the baseline year and
13 each year thereafter, each qualified business shall file a
14 report with the department in a form or manner required by the
15 department which includes all of the following:

16 (1) Amount of each eligible tax which was paid to the
17 Commonwealth by the qualified business in the prior calendar
18 year.

19 (2) Amount of each eligible tax refund received from the
20 Commonwealth in the prior calendar year by the qualified
21 business.

22 (b) Penalties.--

23 (1) Failure to file a timely and complete report under
24 subsection (a) may result in the imposition of a penalty of
25 the lesser of:

26 (i) ten percent of all eligible tax due the taxing
27 authority in the prior calendar year; or

28 (ii) one thousand dollars.

29 (2) A penalty for a violation of subsection (a) shall be
30 imposed, assessed and collected by the department under

1 procedures set forth in Article II of the act of March 4,
2 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.
3 Money collected under this paragraph shall be deposited in
4 the General Fund.

5 Section 808. Calculation of baseline.

6 (a) Baseline tax.--By October 15 following the end of the
7 baseline year and for each year thereafter, the department shall
8 verify the State baseline tax amount which consists of 50% 75% <--
9 of the following:

10 (1) For qualified businesses that file timely TRID
11 reports under section 807, the amount of eligible State tax
12 paid, less eligible State tax refunds.

13 (2) For qualified businesses not included under
14 paragraph (1) but located or partially located in the TRID as
15 determined by the department or included in the information
16 received by the department under section 807(a), the amount
17 of eligible State tax paid, less eligible State tax refunds.

18 (b) Moves and noninclusions.--

19 (1) This subsection applies to a qualified business
20 that:

21 (i) moves into a zone from within this Commonwealth
22 after the baseline year; or

23 (ii) is in a zone but not included in the
24 calculation of the State baseline tax under subsection
25 (a).

26 (2) A qualified business subject to paragraph (1) shall
27 file a TRID report under section 807 following the end of the
28 first full calendar year in which the qualified business
29 conducted business in the TRID and each calendar year
30 thereafter. The amount of eligible State tax verified by the

1 department for the qualified business for the prior calendar
2 year shall be added to the State baseline tax amount for the
3 zone for the prior calendar year and each year thereafter.

4 (3) The calculation under this section may not include
5 the eligible taxes of a qualifying business moving into the
6 TRID from outside this Commonwealth.

7 Section 809. Certification.

8 (a) Amounts.--By the October 15 following the baseline year,
9 and each year thereafter, the department shall do all of the
10 following for the prior calendar year:

11 (1) Make the following calculation for qualified
12 businesses which file TRID reports under section 807(a),
13 separately for each TRID:

14 (i) Subtract:

15 (A) the amount of eligible State tax refunds
16 received; from

17 (B) the amount of eligible State tax paid.

18 (ii) Subtract:

19 (A) the State tax baseline amount for the zone;
20 from

21 (B) the difference under subparagraph (i).

22 (2) Certify to the Office of the Budget the difference
23 under paragraph (1)(ii).

24 (b) Content.--

25 (1) The certification may include the following:

26 (i) Adjustment made to timely filed TRID reports by
27 the department for eligible State tax actually paid by a
28 qualified business in the prior calendar year.

29 (ii) Eligible State tax refunds paid to a qualified
30 business in the TRID in a prior calendar year.

1 (iii) State tax penalties paid by a qualified
2 business in the prior year under section 807(b).

3 (2) The certification shall not include the following:

4 (i) Tax paid by a qualified business that did not
5 file a timely TRID report under section 807(a).

6 (ii) Tax paid by a qualified business whose tax was
7 not included in the State tax baseline amount calculation
8 under section 808.

9 (iii) Tax paid by a qualifying business not
10 appearing on a timely filed list under section 805(a).

11 Section 810. Transfers.

12 (a) Office.--Within ten days of receiving the certification
13 from the department under section 809, the Office of the Budget
14 shall direct the State Treasurer to transfer the amount of
15 certified eligible TRID tax from the General Fund to each TRID
16 fund.

17 (b) State Treasurer.--Within ten days of receiving direction
18 under subsection (a), the State Treasurer shall pay into the
19 TRID fund the amount directed under subsection (a) until bonds
20 issued to finance the construction, including related
21 infrastructure and site preparation, reconstruction or
22 renovation of a facility or other eligible project in the TRID
23 are retired.

24 (c) Notification.--The following shall apply:

25 (1) If the transfers under subsection (a) are
26 insufficient to make payments on the bonds issued under
27 section 811(a)(1) for the calendar year when the transfers
28 are made, the management entity shall notify the Department
29 of Community and Economic Development, the Office of the
30 Budget and the department of the amount of additional money

1 necessary to make payments on the bonds.

2 (2) The notification under paragraph (1) must be
3 accompanied by a detailed account of the management entity's
4 expenditures and the calculation which resulted in the
5 request for additional money. The Department of Community and
6 Economic Development, the Office of the Budget or the
7 department may request additional information from the
8 management entity and shall jointly verify the proper amount
9 of money necessary to make the payments on the bonds.

10 (3) Notwithstanding 53 Pa.C.S. § 5607(e) (relating to
11 purposes and powers) within 90 days of the date of the
12 notification request, the Office of the Budget shall direct
13 the State Treasurer to establish a restricted account within
14 the General Fund. The Office of the Budget shall direct the
15 State Treasurer to transfer the amount verified under
16 paragraph (2) from the General Fund to the restricted account
17 for the use of the management entity to make payments on the
18 bonds issued under section 811(a) (1).

19 (4) Money transferred under paragraph (3):

20 (i) shall be limited to 50% of the State tax
21 baseline amount for the calendar year prior to the date
22 the amount is verified under paragraph (2), not to exceed
23 \$10,000,000; and

24 (ii) must occur in the first seven calendar years
25 following the baseline year.

26 (5) Under extraordinary circumstances, a management
27 entity may request money in excess of the limitations under
28 paragraph (4) (i). The Department of Community and Economic
29 Development, the Office of the Budget and the department
30 shall determine whether the circumstances merit additional

1 money and the amount to be transferred. The money shall be
2 transferred under the procedure under this section.

3 (6) Money transferred under paragraph ~~(4)~~ (3) shall be <--
4 repaid to the General Fund by the management entity. If money
5 transferred under paragraph (3) is not repaid to the General
6 Fund by the management entity by the date of the final
7 payment on the bonds originally issued under section
8 811(a)(1), the municipality or county and the transit agency
9 which established the management entity shall pay, in equal
10 shares, the money not repaid to the General Fund plus an
11 additional penalty of 10% of the amount outstanding on the
12 date of the final payment on the bonds originally issued
13 under section 811(a)(1).

14 Section 811. Restrictions.

15 (a) Utilization.--If the use was approved in an application
16 filed under section 802, money transferred under section 810 may
17 only be utilized for the following:

18 (1) Payment of debt service on bonds issued for the
19 construction, including related infrastructure and site
20 preparation, reconstruction or renovation of a facility in
21 the TRID.

22 (2) Construction, including related infrastructure and
23 site preparation, reconstruction or renovation of all or a
24 part of a facility.

25 (3) Replenishment of amounts in debt service reserve
26 funds established to pay debt service on bonds.

27 (4) Employment of an independent auditing firm to
28 perform the duties under section 805(c).

29 (5) Improvement or development of all or part of a TRID.

30 (6) Improvement projects, including fixtures and

1 equipment for a facility owned by a public authority.

2 (b) Prohibition.--Money transferred under section 810 may
3 not be utilized for maintenance of a facility.

4 (c) Excess money.--

5 (1) If the amount of money transferred to the fund under
6 section 810 in any one calendar year exceeds the money
7 utilized under this section in that calendar year, the
8 management entity shall submit by January 15 following the
9 end of the calendar year the excess money to the State
10 Treasurer for deposit into the General Fund.

11 (2) At the time of submission to the State Treasurer,
12 the management entity shall submit to the State Treasurer,
13 the Office of the Budget and department a detailed accounting
14 of the calculation resulting in the excess money.

15 (3) The excess money shall be credited to the management
16 entity and applied to the amount required to be repaid under
17 section 810(c)(6) until there is full repayment.

18 (d) Matching funds.--

19 (1) The amount of money transferred from the TRID fund
20 utilized for the construction, including related site
21 preparation and infrastructure, reconstruction or renovation
22 of facilities shall be matched by ~~private money~~ OTHER SOURCES <--
23 OF FUNDING at a ratio of two fund dollars to one private
24 dollar.

25 (2) By April 1, following the baseline year and for each
26 year thereafter, the management entity shall file an annual
27 report with the Department of Community and Economic
28 Development, the Office of the Budget and the department that
29 contains detailed account of the fund money expenditures and
30 the ~~private money~~ expenditures OF FUNDS FROM OTHER SOURCES <--

1 and a calculation of the ratio in paragraph (1) for the prior
2 calendar year. The agencies shall determine whether
3 sufficient ~~private money~~ FUNDING FROM OTHER SOURCES was <--
4 utilized.

5 (3) If it is determined that insufficient ~~private money~~ <--
6 FUNDING FROM OTHER SOURCES was utilized under paragraph (1), <--
7 the amount of TRID fund money utilized under paragraph (1) in
8 the prior calendar year shall be deducted from the next
9 transfer of the fund.

10 Section 812. Duration.

11 ~~A TRID shall be in effect for a period equal to the length of~~ <--
12 A TRID FUND SHALL BE IN EFFECT FOR: <--

13 (1) THE AMOUNT OF TIME REQUIRED TO COMPLETE ANY APPROVED
14 ELIGIBLE PROJECT FOR WHICH DEBT WAS NOT INCURRED; OR

15 (2) A PERIOD EQUAL TO THE LENGTH OF time for the
16 repayment of debt incurred for the TRID, including bonds
17 issued. Bonds shall be paid no later than 30 years following
18 the initial issuance of the bonds.

19 Section 813. Commonwealth pledges.

20 (a) Pledge.--If and to the extent the management entity
21 pledges amounts required to be transferred to its TRID fund
22 under section 810 for payment of bonds issued by the management
23 entity, until all bonds secured by the pledge of the management
24 entity, together with interest on the bonds, are fully paid or
25 provided for, the Commonwealth pledges to and agrees with any
26 person, firm, corporation or government agency, in this
27 Commonwealth or elsewhere and pledges to and agrees with any
28 Federal agency subscribing to or acquiring the bonds of the
29 contracting authority that the Commonwealth itself will not, nor
30 will it authorize any government entity to, do any of the

1 following:

2 (1) Abolish or reduce the size of the zone.

3 (2) Amend or repeal section 808 or 809.

4 (3) Limit or alter the rights vested in the management
5 entity in a manner inconsistent with the obligations of the
6 contracting authority MANAGEMENT ENTITY with respect to the <--
7 bonds issued by the management entity.

8 (4) Impair revenue to be paid under this chapter to the
9 management entity necessary to pay debt service on bonds.

10 (b) Limitation.--Nothing under this section shall limit the
11 authority of the Commonwealth to change the rate, base or
12 subject of a specific tax or to repeal or enact any tax.

13 Section 814. Confidentiality.

14 (a) Sole use.--A TRID report or certification under this
15 chapter shall only be used by the management entity, the
16 Department of Community and Economic Development, the Office of
17 the Budget or the department to verify the amount of the State
18 tax baseline amount calculated under section 809 and State tax
19 certification under section 809.

20 (b) Prohibition.--Use of a TRID report other than as
21 provided under subsection (a) shall be prohibited and shall be
22 subject to the law applicable to the confidentiality of tax
23 records.

24 Section 815. Guidelines.

25 By ~~July 1,~~ DECEMBER 31, 2014, the Department of Community and <--
26 Economic Development, the Office of the Budget and the
27 department shall develop and publish guidelines necessary to
28 implement this chapter.

29 Section 4. Section 901 of the act is amended to read:

30 Section 901. Public meeting to explain TRID and alternative

1 implementation approaches.

2 Community and public involvement in the establishment of
3 TRIDs is required. The municipality and the public
4 transportation agency shall jointly conduct at least one public
5 meeting in the proposed TRID area prior to the enactment of a
6 TRID[,] and TRID planning study[, comprehensive plan or zoning
7 amendment]. The meeting is intended to explain the purpose and
8 components of the TRID and the alternative implementation
9 approaches. The public meeting or meetings shall be in addition
10 to any required local government public hearing or hearings
11 prior to comprehensive or multimunicipal plan amendment
12 adoption. However, nothing in this act shall relieve the [TRID
13 management entity] municipality or public transportation entity
14 from conducting all public meetings required by law where the
15 TRID is acting or seeking to act under the:

16 (1) Act of May 24, 1945 (P.L.991, No.385), known as the
17 Urban Redevelopment Law.

18 (2) Act of July 11, 1990 (P.L.465, No.113), known as the
19 Tax Increment Financing Act.

20 (3) Act of December 20, 2000 (P.L.949, No.130), known as
21 the Neighborhood Improvement District Act.

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