

## 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 and for establishment or  
12 designation of contracting authority, providing for number of  
13 authorized zones and further providing for approval.

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

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

20 Section 1802-C. Definitions.

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

1 \* \* \*

2 "City." A city of the second class A or third class or a  
3 home rule municipality [with a population of at least 20,000  
4 based on the most recent Federal decennial census]. The term  
5 includes a city that is a distressed city under the act of July  
6 10, 1987 (P.L.246, No.47), known as the Municipalities Financial  
7 Recovery Act, and a city that has had a receiver appointed under  
8 Chapter 7 of the Municipalities Financial Recovery Act.

9 \* \* \*

10 "Contracting authority." A new or existing authority  
11 established or designated by a city, municipality or [home rule]  
12 county to designate and administer zones. The term shall  
13 include:

14 (1) An authority established under 53 Pa.C.S. Ch. 56  
15 (relating to municipal authorities).

16 (2) An authority established under the former act of  
17 December 27, 1994 (P.L.1375, No.162), known as the Third  
18 Class County Convention Center Authority Act, or under  
19 Article XXIII(n) or (o) of the act of August 9, 1955  
20 (P.L.323, No.130), known as the County Code.

21 (3) An authority established by a contiguous  
22 municipality under 53 Pa.C.S. Ch. 56 for the purposes of this  
23 act.

24 \* \* \*

25 "Pilot zone." An area of not more than 100 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 one or more municipalities,  
30 with a total population of at least [7,000] 2,000 based on the

1 most recent Federal decennial census.

2 \* \* \*

3 Section 2. Section 1803-C of the act is amended to read:  
4 Section 1803-C. Establishment or designation of contracting  
5 authority.

6 (a) Authorization.--Except as set forth in subsection (b), a  
7 city, municipality or home rule county may establish or  
8 designate a contracting authority to designate a zone under this  
9 article.

10 (b) Distressed cities.--A city that is a distressed city  
11 under the act of July 10, 1987 (P.L.246, No.47), known as the  
12 Municipalities Financial Recovery Act, and is located in a  
13 county of the second class A that is a home rule county may not  
14 establish a contracting authority under this article.

15 (c) Counties.--[The home rule county] A county of the second  
16 class A that is a home rule county and where a distressed city  
17 under the Municipalities Financial Recovery Act is located may  
18 establish a contracting authority to designate a zone under this  
19 article within the distressed city.

20 Section 3. The act is amended by adding a section to read:  
21 Section 1803.2-C. Number of authorized zones.

22 The department shall authorize 15 zones as follows:

23 (1) four in cities with populations above 60,000 based  
24 on the most recent Federal decennial census;

25 (2) four in cities with populations above 20,000, but  
26 not more than 60,000, based on the most recent Federal  
27 decennial census;

28 (3) four in cities with populations up to 20,000 based  
29 on the most recent Federal decennial census; and

30 (4) three additional cities regardless of population

1 category if the city otherwise meets the requirements of this  
2 article.

3 Section 4. Section 1804-C(c) of the act is amended to read:

4 Section 1804-C. Approval.

5 \* \* \*

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

9 (1) Following the effective date of this paragraph,  
10 applications for two initial city revitalization and  
11 improvement zones and one pilot zone may be approved.  
12 Beginning in 2022, 15 initial city revitalization and  
13 improvement zones may be approved. Priority for approval  
14 shall be given to applications submitted on behalf of a city  
15 that is a distressed city under the act of July 10, 1987  
16 (P.L.246, No.47), known as the Municipalities Financial  
17 Recovery Act, or a city that has had a receiver appointed  
18 under Chapter 7 of the Municipalities Financial Recovery Act.

19 (2) Beginning in 2016, applications for two additional  
20 zones may be approved each calendar year. Beginning in 2024,  
21 applications for two additional zones may be approved each  
22 year, regardless of population. Priority for approval shall  
23 be given to applications submitted on behalf of a city that  
24 is a distressed city under the Municipalities Financial  
25 Recovery Act or a city that has had a receiver appointed  
26 under Chapter 7 of the Municipalities Financial Recovery Act.

27 (4) Following the effective date of this paragraph, the  
28 Department of Community and Economic Development, the office  
29 and the department may approve not more than five pilot  
30 zones.

1           (5) A city may not be approved for more than one zone.  
2           A township or borough may not be approved for more than one  
3           pilot zone. A city that established a neighborhood  
4           improvement zone under Article XIX-B shall be eligible to  
5           apply for or be approved for a zone under this article.

6           \* \* \*

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