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**House Commerce Committee  
and  
House Urban Affairs Committee  
Joint Public Hearing**

**Thursday, April 7, 2016**

**Remarks by State Representative Julie Harhart  
183rd Legislative District**

Good morning. I would like to thank Chairman Harris and Chairman Petri for scheduling this joint public hearing on CRIZ and the opportunity to discuss my proposal, House Bill 1058.

My proposal largely deals with the pilot zone aspect of the CRIZ Program. It also includes changes to who is allowed to serve as a contracting authority, and provides for the calculation of the local baseline tax.

The major component of my proposal expands the definition of "pilot zone" to allow for zones that span multiple municipalities. Specifically, the definition would allow a pilot zone to consist of two or three contiguous municipalities with a combined population of at least 4000, based on the most recent Federal Census. This is in addition to the original pilot zone definition in current law.

In the Lehigh Valley we have two recently created "improvement zones", the NIZ in Allentown and now a CRIZ in Bethlehem. While they are useful tools for those cities and their downtowns, there has been a noticeable effect on some of the surrounding communities and their ability to attract their own development. This is why I believe the pilot zone component of the CRIZ law will be beneficial as it allows smaller communities to get in on the action. But wouldn't it be better if we could leverage the pilot zone designation even more, and allow it to span multiple municipalities?

The idea of having an inter-municipal pilot zone was brought to me by one of the townships located in my district. While they could have qualified on their own as a pilot zone

under the original legislation, they found that working with a neighboring borough and township, they were able to create a more compelling plan that would help develop a number of sites that have been undevelopable for several years. In this case, the pilot zone designation would have helped three communities, three tax bases, and would have been an overall better use of the incentives offered by the CRIZ. However, as originally written, this plan would not have been allowed.

Additionally, the commonwealth and particularly DCED have long promoted cooperation between municipalities on projects and services that were best shared. The management of these zones is no small feat, and may be a daunting task for some small municipalities when factoring in both time and dollars. By allowing a pilot zone to span multiple municipalities, we can spread out some of the administrative burden that comes along with these tax zones while at the same time allowing neighboring communities to work together with a shared CRIZ as opposed to adversely competing with one another. Not allowing an application to be considered because communities have agreed to work together seems counterproductive.

I firmly believe this program should be aimed at assisting communities in developing parcels that have been left vacant, deteriorated, and are underutilized. We do not need to subsidize development that is already occurring. To that end, my proposal calls for DCED to give preference to proposed zones with greater amounts of deteriorated property, similar to the KOZ law.

Again, I would like to thank Chairman Harris and Chairman Petri for holding this meeting and giving me the opportunity to discuss my CRIZ proposal. I am hopeful we can strengthen the impact of these powerful incentives and assist more communities than originally envisioned with these changes.