

No. 1986-108

AN ACT

SB 1461

Authorizing the Department of Community Affairs to reimburse municipalities containing enterprise zones for a proportion of taxes exempted by the municipalities on improvements to deteriorated property located within enterprise zones under municipal tax exemption programs established pursuant to the Local Economic Revitalization Tax Assistance Act and further providing that the payments so received by municipalities shall be used for community development projects and neighborhood services within the enterprise zones in which taxes are exempted.

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

Section 1. Short title.

This act shall be known and may be cited as the Enterprise Zone Municipal Tax Exemption Reimbursement Act.

Section 2. Definitions.

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

“Community development projects.” Projects undertaken for improvement of the physical environment of enterprise zones, including, but not limited to, projects which will enhance safety, sanitation, transportation, sewage disposal, water quality, recreational resources, esthetic quality or security.

“Department.” The Department of Community Affairs of the Commonwealth.

“Enterprise zones.” Specific locations with identifiable boundaries within distressed municipalities which are designated as enterprise zones by the secretary.

“Municipality.” A city, borough, incorporated town or township.

“Neighborhood services.” Services undertaken by a municipality or a public agency or not-for-profit organization designated by the governing body of the municipality to enhance safety, security, health, welfare or employability of persons residing or working in enterprise zones.

“Secretary.” The Secretary of Community Affairs of the Commonwealth.

Section 3. Reimbursement of tax exemptions.

(a) Program establishment.—The secretary is hereby authorized to establish and administer a program for the reimbursement to municipalities of a portion of the amount of exemptions from real property taxes levied on improvements made to deteriorated property when exemptions have been provided by municipal governing bodies pursuant to the act of December 1, 1977 (P.L.237, No.76), known as the Local Economic Revitalization Tax

Assistance Act. Reimbursements may be made available whenever the deteriorated properties to which improvements have been made, and for which exemptions have been granted by municipal governing bodies, are located within portions of deteriorated areas designated by the secretary as enterprise zones.

(b) Application.—In order to receive reimbursement of tax exemptions, the municipality shall annually file an application with the department in a form and manner specified by the secretary. The application shall:

(1) Identify areas of the municipality which have been designated as deteriorated areas pursuant to the Local Economic Revitalization Tax Assistance Act.

(2) Identify the portions of deteriorated areas which have also been designated as enterprise zones.

(3) Report the market value, assessed value, millage rate and the value of real estate tax exemptions granted by the municipal governing body on improvements to deteriorated property located within deteriorated areas which have also been designated as enterprise zones during the immediately prior calendar year.

(4) Request reimbursement of all or a portion of the value of such tax exemptions.

(5) Provide a plan for the utilization of reimbursements requested by the municipality to provide for community development projects or neighborhood services in the enterprise zone. The plan shall document the needs of the enterprise zone and demonstrate how the proposed projects or services meet those needs, with an emphasis on long-term physical improvements and consistency with the goals and objectives of the enterprise zone strategy.

(6) Provide other information requested by the department which may be necessary to evaluate the application for reimbursement.

(c) Review and approval.—The secretary may review and approve or disapprove, in whole or in part, applications for the reimbursement of tax exemptions based upon an evaluation of the plan of the municipality for community development projects and neighborhood services to be provided in the enterprise zone.

(d) Amount of payment.—Each municipality for which tax exemption reimbursements are approved by the secretary shall receive a payment equal to a portion of the amount of total funding available for reimbursement payments for that year, determined by dividing the amount of approved eligible tax exemptions on improvements to deteriorated property within the enterprise zone located within each municipality by the amount of approved eligible tax exemptions on improvements to deteriorated property within all enterprise zones for which reimbursements have been approved for that year. Reimbursements of tax exemptions granted in an enterprise zone shall not exceed the lesser of actual approved eligible tax exemptions granted in the enterprise zone in that year, the amount to be expended on community development projects and neighborhood services in the enterprise zone or 10% of the total funds available for reimbursement payments in that year.

(e) Time period for tax exemptions.—Reimbursements shall be paid only for tax exemptions provided for improvements made to deteriorated property located within enterprise zones on or after January 1, 1985, but prior to June 30, 1989.

Section 4. Administration.

The department is authorized to adopt any forms, program manuals, procedures, statements of policy, rules and regulations as may be necessary to implement the provisions of this act. The secretary shall report annually to the General Assembly on the reimbursements awarded under this act.

Section 5. Funding.

Funds for the payment of tax-exemption reimbursements pursuant to this act may be made available by appropriations from the Pennsylvania Economic Revitalization Fund established by the act of July 2, 1984 (P.L.512, No.104), known as the Pennsylvania Economic Revitalization Act, and reimbursements awarded by the department shall be limited to the amount of funds appropriated for the use of this program by the General Assembly.

Section 6. Effective date.

This act shall take effect immediately.

APPROVED—The 9th day of July, A. D. 1986.

DICK THORNBURGH