

No. 1993-39

AN ACT

HB 1261

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," further providing for redevelopment assistance capital projects.

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

Section 1. The definition of "Redevelopment Assistance Capital Project" in section 1602-B of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, amended July 13, 1987 (P.L.338, No.63), is amended to read:

Section 1602-B. Definitions.—As used in this article—

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"Redevelopment Assistance Capital Project" shall mean the design and construction of facilities which (i) are facilities other than housing units, highways, bridges, waste disposal facilities, sewage systems or facilities, or water systems or facilities, and are projects which cannot obtain funding under other State or Federal programs; (ii) are economic development projects which generate substantial increases in employment, tax revenues or other measures of economic activity, *including such projects with cultural, historical or civic significance*; (iii) are facilities which have a regional or multijurisdictional impact; (iv) are eligible for tax-exempt bond funding under existing Federal law [or under Federal H.R.3838 of 1985, which shall be known as the Tax Reform Act of 1985 if it is enacted] *and regulations*; (v) have a fifty per centum non-State participation[, of] *documented at the*

time of application, at least half of which is secured funding, and which the only noncash non-State participation permitted is land donation and toward which State funds from other programs may not be used, Provided, however, That a portion of any funds reserved for the future physical maintenance and operation of the facilities may be included as a part of the fifty per centum non-State participation; and (vi) have a total project cost of five million dollars (\$5,000,000) or more, or for such projects in municipalities designated as "financially [disadvantaged] distressed municipalities" under the provisions of the act of [July 9, 1986 (P.L.1223, No.110), known as the "Financially Disadvantaged Municipalities Matching Assistance Act,"] July 10, 1987 (P.L.246, No.47), known as the "Municipalities Financial Recovery Act," or municipalities that are identified at the time of application by the Department of Community Affairs, under the department's early warning system, as scoring at least one-half standard deviation above the mean score, or municipalities that have part or all of an enterprise zone within the municipal boundaries, and have a total project cost of one million dollars (\$1,000,000) or more; and (vii) have a cooperation agreement between the applicant and a redevelopment authority or industrial development authority or general purpose unit of local government if the applicant does not administer the grant. Applicants can be redevelopment authorities, industrial development authorities or general purpose units of local government.

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Section 2. Section 1616.1-B of the act, amended July 13, 1987 (P.L.338, No.63), is amended to read:

Section 1616.1-B. Appropriation and Limitation on Redevelopment Assistance Capital Projects.—(a) The amount necessary to pay principal of and interest on all obligations issued to provide funds for redevelopment assistance capital projects is hereby appropriated from the General Fund and shall be transferred to the Capital Debt Fund upon authorization by the Governor.

(b) The maximum amount of redevelopment assistance capital projects undertaken by the Commonwealth for which obligations are to be issued shall not exceed, in aggregate, [four hundred million dollars (\$400,000,000)] *seven hundred million dollars (\$700,000,000)*.

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

Section 1616.2-B. Funding and Administration of Redevelopment Assistance Capital Projects.—(a) The Secretary of the Budget, in consultation with the Secretary of Commerce and the Secretary of Community Affairs, shall approve or disapprove redevelopment assistance capital projects.

(b) State funding for approved redevelopment assistance capital projects shall be paid over not less than a thirty-six month period, unless the Secretary of the Budget authorizes a shorter period.

(c) All fees for professional services incurred for the design and

construction of redevelopment assistance capital projects shall be paid from non-State funds; however, land acquisition is a permissible State funded expenditure provided such acquisition cost is supported by an appraisal done by a member of the Master Appraisal Institute (MAI).

(d) Expenditure of State and non-State funds shall be made on a proportional basis for construction expenses.

(e) Redevelopment assistance capital project cost estimates shall be verified by the Office of the Budget or its designated agent before final approval is given to a project application. Cost estimates shall include total project cost, projected use for State and non-State funds and a year-by-year schedule of costs for the entire project construction phase.

(f) The solicitation of a minimum of three written bids shall be required for all general contracted work in redevelopment assistance projects.

(g) Redevelopment assistance capital projects shall be reviewed at regular intervals by the Office of the Budget or its designated agent during the funding phase to ensure financial and program compliance. A final close-out audit shall be performed by the Office of the Budget or its designated agent for all projects.

(h) To pay for administrative expenses related to redevelopment assistance capital projects funded by Commonwealth general obligation bonds, the Office of the Budget shall charge a fee against proceeds from said bonds which were sold to finance construction or acquisition costs of projects.

Section 4. This act shall take effect immediately.

APPROVED—The 28th day of June, A.D. 1993.

MARK S. SINGEL
ACTING GOVERNOR