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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1410 Session of  
2019

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INTRODUCED BY STEPHENS, KENYATTA, ULLMAN, POLINCHOCK, SCHROEDER,  
CIRESI AND WARREN, MAY 6, 2019

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REFERRED TO COMMITTEE ON COMMERCE, MAY 6, 2019

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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 declaration of policy and  
20 for definitions; providing for military installation  
21 remediation; and establishing the Military Installation  
22 Remediation Fund.

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

25 Section 1. Section 102 of the act of December 8, 2004  
26 (P.L.1801, No.238), known as the Transit Revitalization  
27 Investment District Act, is amended by adding a paragraph to  
28 read:

1 Section 102. Declaration of policy.

2 The General Assembly finds and declares as follows:

3 \* \* \*

4 (3) There is a lack of funding and knowledge relating to  
5 remediation needed at military installations to address PFAS  
6 contamination, and there is a need to provide for proper  
7 infrastructure in the water systems on military installations  
8 and surrounding parcels.

9 Section 2. Section 103 of the act is amended by adding  
10 definitions to read:

11 Section 103. Definitions.

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

15 \* \* \*

16 "Authority." The Pennsylvania Infrastructure Investment  
17 Authority.

18 \* \* \*

19 "Deteriorated property." The term shall have the same  
20 meaning as in section 103 of the act of October 6, 1998  
21 (P.L.705, No.92), known as the Keystone Opportunity Zone,  
22 Keystone Opportunity Expansion Zone and Keystone Opportunity  
23 Improvement Zone Act.

24 \* \* \*

25 "Military installation remediation project." A project or  
26 use of money by a qualified authority under section 303-A(a).

27 \* \* \*

28 "Qualified authority." A municipal authority established  
29 under 53 Pa.C.S. Ch. 56 (relating to municipal authorities)  
30 after the effective date of this definition by a qualified

1 municipality for the purpose of issuing grants for a military  
2 installation remediation project.

3 "Qualified former military installation." A parcel that was  
4 previously used by a branch of the United States Armed Forces  
5 for a military installation that was closed based on the  
6 recommendation of the Defense Base Closure and Realignment  
7 Commission no more than 15 years prior to the effective date of  
8 this definition.

9 "Qualified municipality." A municipality which has within  
10 its geographic bounds a qualified former military installation.

11 "Qualified tax." All of the following:

12 (1) Corporate net income tax, bank shares tax, personal  
13 income tax paid by shareholders, members or partners of  
14 Subchapter S corporations, limited liability companies,  
15 partnerships or amounts paid by sole proprietors on income  
16 other than passive activity income as defined under section  
17 469 of the Internal Revenue Code of 1986 (Public Law 99-516,  
18 26 U.S.C. § 1 et seq.), calculated and apportioned as to the  
19 amount attributable to the location within a qualified former  
20 military installation.

21 (2) Sales and use tax, only to the extent the tax is  
22 related to the activity of a qualified business within a  
23 qualified former military installation. The term includes  
24 sales and use taxes on material used for construction in a  
25 qualified former military installation and business personal  
26 property to be used by a qualified business in a qualified  
27 former military installation.

28 (3) Personal income tax withheld from employees by a  
29 qualified business for work performed in a qualified former  
30 military installation.



1           (2) The application shall include a copy of the  
2           development plan, relevant geographic data, parcel numbers  
3           and an economic impact report containing potential State and  
4           local revenue impact and such additional information as  
5           proscribed by the Department of Revenue.

6           (3) The application shall include a certificate from the  
7           governing board of a qualified municipality that approves  
8           designating local taxes to be part of the qualified taxes for  
9           use for the local efforts under section 303-A(c).

10           (4) Parcels included within applications that meet  
11           Department of Revenue criteria shall receive full designation  
12           for the program described in this section.

13           (b) List.--By September 1, 2019, June 1, 2020 and June 1  
14           each year thereafter, a qualified authority shall file with the  
15           Department of Revenue a list of all qualified taxpayers located  
16           in parcels designated under subsection (a).

17           (c) Contents.--The list under subsection (b) shall include  
18           all businesses and residents located in or residing in the  
19           designated parcels and all businesses engaged in acquisition,  
20           development and construction in designated parcels during the  
21           prior calendar year. The list shall include for each business  
22           the address, the names of the business owners or corporate  
23           officers, State tax identification number and parcel number and  
24           a map with parcel numbers.

25           (d) Time.--If the list under subsection (b) is not timely  
26           provided to the Department of Revenue, no eligible tax may be  
27           certified by the Department of Revenue for the purpose of the  
28           transfer under subsection (j) for the calendar year.

29           (e) Parcel report.--No later than October 15, 2019, June 15,  
30           2020 and June 15 each year thereafter, each qualified taxpayer

1 shall file a program report with the Department of Revenue in a  
2 form or manner required by the department that includes all of  
3 the following:

4 (1) The amount of each qualified tax paid to the  
5 Commonwealth by the qualified taxpayer in the prior calendar  
6 year.

7 (2) The amount of each qualified tax refund received  
8 from the Commonwealth in the prior calendar year by the  
9 qualified taxpayer.

10 (f) Penalties.--

11 (1) Failure to file a timely and complete report under  
12 subsection (e) may result in the imposition of a penalty of  
13 the lesser of:

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

16 (ii) one thousand dollars.

17 (2) A penalty for a violation of subsection (e) shall be  
18 imposed, assessed and collected by the department under  
19 procedures specified in Article II of the Tax Reform Code of  
20 1971. Money collected under this paragraph shall be deposited  
21 in the General Fund.

22 (3) Failure by a municipality to include all eligible  
23 local revenue shall disqualify the municipality from the  
24 receipt of any State or local revenue.

25 (g) Certification.--By November 15, 2019 and November 15  
26 each year thereafter, the Department of Revenue shall:

27 (1) Determine the amount of eligible tax paid by each  
28 qualified taxpayer in the prior calendar year, which  
29 qualified taxpayer appears on a timely filed list under  
30 subsection (b) and that made a timely program report under

1 subsection (e).

2 (2) Determine the amount of eligible State tax refunds  
3 received less the amount of eligible State tax paid.

4 (3) Certify to the Office of the Budget, the sum derived  
5 from adding the amounts determined under paragraphs (1) and  
6 (2).

7 (h) Content.--

8 (1) The certification may include the following:

9 (i) Qualified taxes actually paid by qualified  
10 taxpayers in the prior calendar year.

11 (ii) Qualified tax refunds paid to qualified  
12 taxpayers in the prior calendar year.

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

14 (i) Qualified taxes paid by a qualified taxpayer  
15 that did not file a timely program report.

16 (ii) Qualified taxes paid by a qualified taxpayer  
17 not appearing on the timely filed parcel list.

18 (i) State tax liability apportionment.--For the purpose of  
19 making the calculations under the certification, the qualified  
20 tax liability of a qualified taxpayer shall be apportioned to  
21 the designated parcels under section 301-A(a)(4) by multiplying  
22 the State tax liability by a fraction, the numerator of which is  
23 the property factor plus the payroll factor plus the sales  
24 factor and the denominator of which is three, in accordance with  
25 the following:

26 (1) The property factor is a fraction, the numerator of  
27 which is the average value of the qualified taxpayers' real  
28 and tangible personal property owned or rented and used in  
29 the designated parcels during the tax period and the  
30 denominator of which is the average value of all the

1 qualified business' real and tangible personal property owned  
2 or rented and used in this Commonwealth during the tax period  
3 but shall not include the security interest of any  
4 corporation as seller or lessor in personal property sold or  
5 leased under a conditional sale, bailment lease, chattel  
6 mortgage or other contract providing for the retention of a  
7 lien or title as security for the sale price of the property.

8 (2) The following apply:

9 (i) The payroll factor is a fraction, the numerator  
10 of which is the total amount paid in the designated  
11 parcels during the tax period by the qualified taxpayer  
12 for compensation and the denominator of which is the  
13 total compensation paid in this Commonwealth during the  
14 tax period.

15 (ii) Compensation is paid in the designated parcels  
16 if:

17 (A) the person's service is performed entirely  
18 within the designated parcels;

19 (B) the person's service is performed both  
20 within and without the designated parcels, but the  
21 service performed without the designated parcels is  
22 incidental to the person's service within the  
23 designated parcels; or

24 (C) some of the service is performed in the  
25 designated parcels and the base of operations or, if  
26 there is no base of operations, the place from which  
27 the service is directed or controlled is in the  
28 designated parcels, or the base of operations or the  
29 place from which the service is directed or  
30 controlled is not in any location in which some part

1 of the service is performed, but the person's  
2 residence is in the designated parcels.

3 (3) The sales factor is a fraction, the numerator of  
4 which is the total sales of the qualified taxpayer in the  
5 designated parcels during the tax period and the denominator  
6 of which is the total sales of the taxpayer in this  
7 Commonwealth during the tax period.

8 (i) Sales of tangible personal property are in the  
9 designated parcels if the property is delivered or  
10 shipped to a purchaser that takes possession within the  
11 designated parcels regardless of the F.O.B. point or  
12 other conditions of the sale.

13 (ii) Sales other than sales of tangible personal  
14 property are in the designated parcels if:

15 (A) the income-producing activity is performed  
16 in the designated parcels; or

17 (B) the income-producing activity is performed  
18 both within and without the designated parcels and a  
19 greater proportion of the income-producing activity  
20 is performed in the designated parcels than in any  
21 other location, based on costs of performance.

22 (j) Transfer.--Within 10 days of receiving the certification  
23 from the Department of Revenue, the Office of the Budget shall  
24 direct the State Treasurer to transfer the amount of certified  
25 qualified tax from the General Fund to each special fund  
26 established for the benefit of a qualified authority under  
27 section 302-A.

28 (k) State Treasurer.--Within 10 days of receiving direction  
29 under subsection (j), the State Treasurer shall pay into each  
30 special fund established under section 302-A the amount directed

1 to the respective authority for use only as provided under  
2 section 303-A(a).

3 Section 301.1-A. Perfluorinated Compound Remediation Program.

4 (a) Establishment.--The Perfluorinated Compound Remediation  
5 Program is established.

6 (b) Purpose.--In addition to any other program of the  
7 authority, from funds available to the authority, the authority  
8 shall provide grants under the Perfluorinated Compound  
9 Remediation Program for the costs of remediation relating to the  
10 presence of perfluorinated compounds in drinking water which are  
11 not related to the presence of a qualified former military  
12 installation.

13 (c) Guidelines.--The authority shall establish guidelines  
14 for the Perfluorinated Compound Remediation Program.

15 (d) Eligible applicants.--A municipality with perfluorinated  
16 compounds present in the municipality's drinking water may apply  
17 for a grant under the Perfluorinated Compound Remediation  
18 Program.

19 Section 302-A. Special funds.

20 (a) Notice.--Following the approval of an application under  
21 section 301-A, a qualified authority shall notify the State  
22 Treasurer and create a special fund to be known as the Military  
23 Installation Remediation Fund.

24 (b) Establishment.--Upon receipt of notice under subsection  
25 (a), the State Treasurer shall establish for each qualified  
26 former military installation a restricted account within the  
27 special fund for the benefit of the qualified authority.  
28 Interest income derived from the investment of money in a  
29 restricted account shall be credited by the State Treasury to  
30 the restricted account.

1 Section 303-A. Restrictions.

2 (a) Use.--

3 (1) Except as provided under paragraph (2) and (3),  
4 money transferred under section 301-A shall be used for the  
5 operational costs for the qualified authority.

6 (2) Money transferred under section 301-A in excess of  
7 the amount used under paragraph (1), to the extent such funds  
8 are available, shall be used to offset a surcharge applied to  
9 customers of a water provider relating to the costs of  
10 remediation relating to perfluorinated compounds present in  
11 drinking water related to the presence of a former military  
12 installation. Money under this paragraph shall be allocated  
13 in proportion to the amount of local effort under subsection  
14 (c).

15 (3) Money transferred under section 301-A in excess of  
16 the amount used under paragraphs (1) and (2), to the extent  
17 such funds are available, may be used for any of the  
18 following:

19 (i) The transportation infrastructure and economic  
20 development costs within a qualified municipality to  
21 encourage redevelopment of the qualified former military  
22 installation.

23 (ii) The payment of debt service on bonds issued or  
24 refinanced for the acquisition, development,  
25 construction, including related infrastructure and site  
26 preparation, reconstruction, renovation or refinancing of  
27 a project under subparagraph (i).

28 (b) Applications.--The qualified authority shall establish  
29 an application process for allocations under subsection (a)(2).

30 (c) Local effort.--A municipality or municipal government

1 may make available to the qualified authority an amount of money  
2 which may be used for allocations under subsection (a)(2). A  
3 contribution under this subsection shall be made no later than  
4 September 1, 2019, April 15, 2020 and April 15 each year  
5 thereafter.

6 (d) Limitations on transfers.--Money transferred to a  
7 special fund under section 301-A may not exceed 500% of the  
8 local taxes and additional money designated and transferred to  
9 the qualified authority by a municipality or municipal authority  
10 during the year.

11 (e) Excess money.--

12 (1) If the amount of money transferred to a fund in any  
13 one calendar year exceeds the money utilized under this  
14 section in that calendar year, the qualified authority shall  
15 submit by April 15 following the end of the calendar year the  
16 excess money to the State Treasurer for deposit into the  
17 General Fund.

18 (2) At the time of submission to the State Treasurer,  
19 the contracting authority shall submit to the State  
20 Treasurer, the Office of the Budget and the Department of  
21 Revenue a detailed accounting of the calculation resulting in  
22 the excess money.

23 Section 304-A. Duration.

24 An application approved under section 301-A(a) shall be in  
25 effect for a period no later than 30 years from the effective  
26 date of this section.

27 Section 305-A. Qualified authority.

28 (a) Composition.--Notwithstanding 53 Pa.C.S. § 5610(a)  
29 (relating to governing body), the governing body of a qualified  
30 authority shall be composed of the following members:

1           (1) One member subject to the following:

2           (i) If a member of the Senate has a permanent  
3 residence in the qualified municipality, the member shall  
4 be a member of the governing body.

5           (ii) If subparagraph (i) does not apply, the  
6 President pro tempore of the Senate shall appoint a  
7 permanent resident of the qualified municipality to the  
8 governing body.

9           (2) One member subject to the following:

10           (i) If a member of the House of Representatives has  
11 a permanent residence in the qualified municipality, the  
12 member shall be a member of the governing body.

13           (ii) If subparagraph (i) does not apply, the Speaker  
14 of the House of Representatives shall appoint a permanent  
15 resident of the qualified municipality to the governing  
16 body.

17           (3) One permanent resident of the qualified municipality  
18 appointed by a school district which has within its  
19 geographic bounds a qualified former military installation.

20           (4) One permanent resident of the qualified municipality  
21 appointed by an authority established to redevelop the  
22 qualified former military installation.

23           (5) One permanent resident of the qualified municipality  
24 appointed by the governing body of the qualified  
25 municipality.

26           (b) Terms.--The following shall apply:

27           (1) Members appointed under subsection (a) (1), (2) and  
28 (4) shall serve for a term of five years.

29           (2) All other members shall serve for a term of four  
30 years.

1 Section 4. This act shall take effect immediately.