



# SENATE OF PENNSYLVANIA BILL SUMMARY

## House Bill 944 Printer's No. 1223

Prime Sponsor: Representative Taylor  
Committee: Community, Economic and Recreational Development

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### SYNOPSIS:

Amends the Community and Economic Improvement Act (CEIA – Act 174 of 1998) that provides for the establishment of Neighborhood Improvement Districts (NID) relating to Cities of the First Class (Philadelphia) by clarifying to whom notice of hearings must be given, who has standing to object to the creation of NID and modifies the percentage required to veto the establishment of NID, the distribution of the annual audit and report, etc.

### SUMMARY:

House Bill 944, Printer's No. 1223, amends the act of December 21, 1998 (P.L. 1307, No. 174), known as the Community and Economic Improvement Act (CEIA) that provides for the establishment of Neighborhood Improvement Districts (NID) relating to cities of the first class (Philadelphia) by further providing for definitions, for powers of municipal corporations, for creation of neighborhood improvement districts (NID), for creation of NID management associations, for powers of NID management associations, for annual audit and report and for applicability. More specifically it clarifies to whom notice of hearings must be given, who has standing to object to the creation of NID and modifies the percentage required to veto the establishment of NID, the distribution of the annual audit and report, etc.

#### {Section 3 – Definitions}

{Adds} a definition of the following term: **[Note: This is a term that is generally already being used in the Community and Economic Improvement Act CEIA].**

- “Affected property owner.” An owner of real property located in a neighborhood improvement district upon which a special assessment fee is proposed to be or has been levied as authorized by this act.

#### {Section 4 – Powers of Municipal Corporation}

In regards to the powers of municipal corporations (cities of the first class – Philadelphia) to acquire real property or rights-of-way in relation to NID it {eliminates} the option of eminent domain (leaving the options of by gift or purchase).

#### {Section 5 – Creation of Neighborhood Improvement District}

{Requires} a copy of the preliminary plan or any revised plan subject to a public hearing be sent to all affected property owners and lessees.

{Eliminates} the requirement that any public hearing be held no earlier than 15 days apart and {clarifies} that a 2<sup>nd</sup> public hearing is only required when the revision to the preliminary plan are more than technical.

{Continues} to require written objections be filed by affected property owners 45 days after the hearing on the final plan.

- Notes that such shall constitute an objection unless withdrawn in writing by the objector.

- Objections may be filed by: [**Note: Currently requires 51% of property owners with 51% of the total property valuation within EIT.**]
  - Affected property owners representing the ownership of at least one-third (1/3) of the properties owned by affected property owners with the NID.
  - Affected property owners within the NID representing at least one-third (1/3) of the total property valuation (assessed for property tax purposes).

{Continues} to provide if fewer than the number of objections needed to prohibit adoption of a NID or an amendment to a NID plan following the 45 day period that the governing body of the municipality (Philadelphia) may enact an ordinance establishing an NID.

{Expands} the requirement of a proposed budget for the first fiscal year of NID operation to each year.

{Continues} to allow the NID final plan to be amended so long as notify affected property owners and if within 45 days of notification at least one-third (1/3) of the affected property owners or the affected property owners whose property valuation amounts to one-third (1/3) of total property valuation (assessed for property tax purposes) do not object. [**Note: Currently requires 51% of property owners or property owners with 51% of the total property valuation within EIT to prevent the amendment of the NID final plan.**]

In regards to amendments that additionally require the approval of the governing body of the municipality (Philadelphia) the provision triggering such where increased expenditures affecting more than 25% of the total Neighborhood Improvement District Management Association (NIDMA) budget for the fiscal year is {replaced} by the following triggering provision: Increases in the budget for any year that was approved in a NID plan approved by the governing body.

#### **{Section 6 – Creation of Neighborhood Improvement District Management Association}**

Where a nonprofit development corporation or other nonprofit corporation is established to serve as the NIDMA for an NID the maximum number of board members is {increased} from 9 to 15 (with the minimum number remaining at 5).

#### **{Section 7 – Powers of Neighborhood Improvement District Management Association}**

{Removes} the requirement that January 1<sup>st</sup> be the first day of the NID’s fiscal year.

#### **{Section 9 – Annual Audit; Report}**

{Provides} that the annual financial audit and report shall be submitted to any municipal department designated by the NID ordinance (currently audit is only required to be submitted by NID to DCED and the governing body of the municipality (Philadelphia) and the annual report is required to be submitted to governing body of the municipality (Philadelphia) and all assessed property owners in the NID).

#### **{Section 12 – Applicability}**

{Provides} that a Business Improvement District (BID) may be established or continued pursuant to the provisions of the CEIA (Act 174 of 1998) or the provisions of the Municipality Authorities Act of 1945, insofar as it relates to business improvement districts.

**[A05275] (Farnese) Amendment Summary** – This amendment defines the term “curb market stand” and includes the same in the definition of the term “property owner” and provides a formula for purpose of Neighborhood Improvement District (NID) assessments.

Effective Date: Shall take effect in 60 days.

## **BILL HISTORY:**

The Community and Economic Improvement Act of 1998 (Act 174 of 1998) provides for the establishment of Neighborhood Improvement Districts by cities of the first class (Philadelphia). Neighborhood Improvement Districts are defined as a limited geographic area within a municipality, in which a special assessment is levied on all designated property, other than tax-exempt property, for the purpose of promoting the economic and general welfare of the district and the municipality, herein after referred to as NID. Such districts shall be referred to generally as neighborhood improvement district (NID) and specifically as business improvement district (BID), residential improvement district (RID), industrial improvement district (IID), institutional improvement district (INID) or mixed-use improvement district (MID), depending on the type of district established.

Act of December 20, 2000 (P.L.949, No.130), known as the Neighborhood Improvement District Act allows municipalities to establish Neighborhood Improvement Districts and a number of other types of improvement districts, but currently does not authorize the establishment of a Cultural Improvement District.

- Note: HB 1490, PN 2542 has also been referred (12/4/15) to CERD that would do the following:
  - {Repeals} Act 130 of 2000 – Neighborhood Improvement District Act (established by municipalities)  
and
  - {Moves it to} [Title 53 (Municipalities Generally)] (by adding {New} CH 62 – Neighborhood Improvement Districts and {expands} it to include Cultural Improvement District)

Title 53 (Municipalities Generally), CH 56 – Municipalities Authorities Act provides for the formation of business district authorities (generally small authorities that operate within designated business improvement districts within commercial areas that develop a plan for improvements and administrative services and levy assessments to pay for the cost of such (subject to approval by the municipal governing body).

Prepared by: Brehouse 2/9/2016