

No. 2005-87

AN ACT

HB 1802

Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An act providing for borrowing for capital facilities; conferring powers and duties on various administrative agencies and officers; making appropriations; and making repeals," further defining "redevelopment assistance capital project"; further providing for procedures for capital budget bill and debt-authorizing legislation and for appropriation for and limitation on redevelopment assistance capital projects; and providing for quarterly reports related to redevelopment assistance capital projects and for the refunding of debt issued under previously authorized acts.

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

Section 1. The definition of "redevelopment assistance capital project" in section 302 of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, amended July 4, 2004 (P.L.516, No.67), is amended to read:

Section 302. Definitions.

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

* * *

"Redevelopment assistance capital project." The design and construction of facilities which meet the following:

(1) Are facilities, other than [housing units,] highways, bridges, waste disposal facilities, sewage facilities or water facilities. This paragraph includes:

(i) Water or sewer infrastructure or bridges or roads when included as part of a business or industrial park facility.

(ii) Hospital facilities and capital improvements for hospital facilities.

(2) Are economic development projects which generate substantial increases in employment, tax revenues or other measures of economic activity. This paragraph includes projects with cultural, historical or civic significance.

(3) Are facilities which have a regional or multijurisdictional impact.

(4) Are eligible for tax-exempt bond funding under existing Federal law and regulations.

(5) Have a 50% non-State participation documented at the time of application, including a portion of any funds reserved for future physical maintenance and operation of the facilities:

(i) at least half of which is secured funding;

(ii) toward which the only noncash non-State participation permitted is land or fixed assets which have a substantial useful life and are directly related to the project;

(iii) toward which State funds from other programs may not be used; and

(iv) toward which funds from Federal sources may be used.

(6) Have a total project cost of at least \$1,000,000.

(7) Applicants shall be one of the following:

(i) A redevelopment authority.

(ii) An industrial development authority.

(iii) A general purpose unit of local government.

(iv) A local development district which has an agreement with a general purpose unit of local government under which the unit assumes ultimate responsibility for debt incurred to obtain the 50% non-State participation required by paragraph (5).

(v) Any public authority established pursuant to the laws of this Commonwealth.

(vi) An industrial development agency which has been certified as an industrial development agency by the Pennsylvania Industrial Development Authority Board pursuant to the act of May 17, 1956 (1955 P.L.1609, No.537), known as the Pennsylvania Industrial Development Authority Act, and which is itself or which is acting through a wholly owned subsidiary which is exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

The term also includes a fire truck and firefighting equipment to the extent that the request for assistance does not exceed \$50,000.

Section 2. Section 303(b) of the act is amended to read:

Section 303. Procedures for capital budget bill and debt-authorizing legislation.

(b) Itemization.—[The]

(1) Except as set forth in paragraph (2), the capital budget bill must specifically itemize, by brief identifying description and estimated financial cost, the capital projects to be financed from the proceeds of obligations of the Commonwealth. [except where such itemization is]

(2) Paragraph (1) does not apply if the itemization is:

(i) contained in or approved by prior legislation referred to in the capital budget bill [or except where such itemization is]; or

(ii) included in one or more supplemental capital budget bills.

(3) Projects must be listed in separate categories as well as according to the fund to be charged with the repayment of the obligations to be incurred.

(4) The capital budget bill must state the maximum amount of such obligations which may be incurred in the ensuing fiscal year to provide funds for and towards the financial costs of each category of capital projects, which shall be by the issue of general obligations of the Commonwealth.

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

Section 313.1. Reports related to redevelopment assistance capital projects.

The Secretary of the Budget shall, within ten days of the expiration of each quarter of each fiscal year, provide to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives a report relating to redevelopment assistance capital projects which addresses at least all of the following materials:

(1) An itemized list of the redevelopment assistance capital projects approved for release and construction in the preceding quarter.

(2) An estimate of the amount of funds remaining under the cap provided in section 317(b).

(3) An estimate of the total amount of outstanding debt related to redevelopment assistance capital projects.

(4) An estimate of the amount of outstanding debt related to redevelopment assistance capital projects which will be paid or refinanced in the succeeding four quarters.

Section 4. Section 317(b) of the act, amended July 4, 2004 (P.L.516, No.67), is amended and the section is amended by adding a subsection to read:

Section 317. Appropriation for and limitation on redevelopment assistance capital projects.

(b) **Limitation.**—The maximum amount of redevelopment assistance capital projects undertaken by the Commonwealth for which obligations are outstanding shall not exceed, in aggregate, [~~\$2,150,000,000~~] **\$2,650,000,000**.

(c) **Housing units.**—***An amount not to exceed \$25,000,000 of the amount under subsection (b) may be used for the construction of housing units.***

Section 5. The issuing officials are authorized to provide by resolution for the issuance of refunding bonds for the purpose of refunding any debt issued under the provisions of any previously authorized debt act, including debt issued pursuant to voter referenda, and then outstanding, either by voluntary exchange with the holders of the outstanding debt or to provide funds to redeem and retire the outstanding debt with accrued interest, any premium payable therefrom and the costs of issuance and retirement of the debt, at maturity or at any call date. The issuance of the refunding bonds, the maturities and other details thereof, the rights of the holders thereof and the

duties of the issuing officials in respect thereto shall be governed by the provisions of this section insofar as they may be applicable. Refunding bonds may be issued by the issuing officials to refund debt originally issued or to refund bonds previously issued for refunding purposes.

Section 6. This act shall take effect immediately.

APPROVED—The 22nd day of December, A.D. 2005.

EDWARD G. RENDELL