

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 521 Session of
2003

INTRODUCED BY FEESE, ALLEN, BALDWIN, BARRAR, BASTIAN, BROWNE,
BUNT, CAPPELLI, CAWLEY, CIVERA, CLYMER, COLEMAN, COSTA,
CRAHALLA, CREIGHTON, CRUZ, DAILEY, DALLY, FICHTER, GEIST,
GEORGE, GILLESPIE, GOODMAN, GORDNER, GRUCELA, GRUITZA, HANNA,
HARHAI, HARPER, HARRIS, HERMAN, HERSHEY, JAMES, LaGROTTA,
LAUGHLIN, LEDERER, LEH, MAJOR, MARKOSEK, MARSICO, McNAUGHTON,
R. MILLER, O'NEILL, PHILLIPS, PISTELLA, RAYMOND, READSHAW,
REICHLEY, RUBLEY, SAINATO, SATHER, SAYLOR, STAIRS,
R. STEVENSON, T. STEVENSON, STURLA, SURRA, E. Z. TAYLOR,
TRAVAGLIO, TRUE, TURZAI, WANSACZ, WATSON, WEBER, WILT,
YOUNGBLOOD, YUDICHAK, YEWIC, THOMAS, GERGELY, HENNESSEY,
HARHART, FRANKEL, S. MILLER, HORSEY, J. TAYLOR AND BELFANTI,
FEBRUARY 26, 2003

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 3, 2003

AN ACT

1 Amending the act of October 6, 1998 (P.L.705, No.92), entitled,
2 as amended, "An act providing for the creation of keystone
3 opportunity zones and keystone opportunity expansion zones to
4 foster economic opportunities in this Commonwealth, to
5 facilitate economic development, stimulate industrial,
6 commercial and residential improvements and prevent physical
7 and infrastructure deterioration of geographic areas within
8 this Commonwealth; authorizing expenditures; providing tax
9 exemptions, tax deductions, tax abatements and tax credits;
10 creating additional obligations of the Commonwealth and local
11 governmental units; and prescribing powers and duties of
12 certain State and local departments, agencies and officials,"
13 further providing for definitions, for keystone opportunity
14 improvement zones, FOR DECERTIFICATION and for expiration of <—
15 act.

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

18 Section 1. The definition of "subzone" in section 103 of the

1 act of October 6, 1998 (P.L.705, No.92), known as the Keystone
2 Opportunity Zone and Keystone Opportunity Expansion Zone Act,
3 amended December 20, 2000 (P.L.841, No.119), is amended and the
4 section is amended by adding a definition to read:

5 Section 103. Definitions.

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

9 * * *

10 "Contiguous acres." Land that shares a common boundary or
11 borders directly across the same street, road, waterway or legal
12 right-of-way. The term shall not include separate tracts of land
13 linked only by a street, road, waterway, rail line or other
14 legal right-of-way.

15 * * *

16 "Subzone." A clearly defined geographic area containing a
17 minimum of 20 contiguous acres or a minimum of ten contiguous
18 acres in a rural area. In meeting the minimum acreage
19 requirements for a subzone, publicly owned land that is not
20 available for development, including, but not limited to, parks,
21 schools, streets and public buildings, shall not be included.

22 * * *

23 Section 2. Sections 301.2, 309 and 1309 of the act, amended <—
24 or added December 9, 2002 (P.L.1727, No.217), are amended to
25 read:

26 Section 301.2. Keystone opportunity improvement zones.

27 (a) Establishment.--There is established within the
28 department a program for keystone opportunity improvement zones.
29 A keystone opportunity improvement zone shall be comprised of
30 improvement subzones consisting of deteriorated property

1 designated by the Governor.

2 (b) Proposal.--By January 1, [2003] 2006 and notwithstanding
3 any designation under sections 301 and 301.1, the Governor may,
4 by executive order, designate deteriorated property in this
5 Commonwealth as a proposed improvement subzone. The executive
6 order shall specify the period of time, not to exceed 15 years,
7 for which the tax exemptions, deductions, abatements or credits
8 provided by this act may be granted. The department shall
9 immediately notify political subdivisions located within the
10 area designated.

11 (c) Application.--By [June 1, 2003] October 1, 2006, a
12 political subdivision may apply to the department for approval
13 of the designation of the deteriorated property as an
14 improvement subzone for the period designated under subsection
15 (b). The application must be on a form provided by the
16 department and must include a copy of an ordinance, resolution
17 or other required action from the governing body of the
18 political subdivision exempting or providing the deductions,
19 abatement or credits required by Chapter 7 to qualified persons
20 and qualified businesses within the proposed improvement
21 subzone. Except as provided in section [309] 1309, all
22 appropriate ordinances and resolutions must be effective for the
23 period specified in the executive order, and must be binding and
24 nonrevocable on the political subdivision.

25 (d) Designation.--If all political subdivisions within a
26 proposed improvement subzone submit timely completed
27 applications, the department shall approve the applications and
28 designate the property as an improvement subzone. If a proposed
29 improvement subzone is an existing subzone or an existing
30 expansion subzone, failure of a political subdivision to submit

1 the application as required by this section shall not terminate
2 the existing designation as either a subzone or an expansion
3 subzone. Qualified persons and qualified businesses within the
4 improvement subzone shall be entitled to the State exemptions,
5 deductions, abatements or credits set forth in this act and the
6 local tax exemptions, deductions, abatements or credits set
7 forth in this act, for the period for which the improvement
8 subzone has been designated.

9 SECTION 309. DECERTIFICATION. <—

10 (A) APPLICATION.--ONE OR MORE POLITICAL SUBDIVISIONS, OR A
11 DESIGNEE OF ONE OR MORE POLITICAL SUBDIVISIONS, MAY APPLY TO THE
12 DEPARTMENT TO DECERTIFY AND REMOVE THE DESIGNATION OF
13 DETERIORATED PROPERTY AS PART OF A SUBZONE, IMPROVEMENT SUBZONE
14 OR EXPANSION SUBZONE. THE APPLICATION MUST CONTAIN ALL OF THE
15 FOLLOWING:

16 (1) AN IDENTIFICATION OF THE PROPERTY TO BE REMOVED.

17 (2) A COPY OF AN AGREEMENT WHICH WAS SUPPORTED BY
18 CONSIDERATION IN WHICH EACH ENTITY WHICH POSSESSES AN
19 INTEREST IN THE REAL PROPERTY TO BE REMOVED, INCLUDING ANY
20 HOLDER OF AN OPTION EITHER TO PURCHASE THE REAL ESTATE OR TO
21 ENTER INTO A GROUND LEASE OF THE REAL ESTATE OR ANY OTHER
22 LEASEHOLD INTEREST IN THE REAL ESTATE, WAIVES THE PARTY'S
23 RIGHT TO ANY EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS
24 GRANTED BY THIS ACT.

25 (3) A COPY OF A BINDING ORDINANCE, RESOLUTION OR OTHER
26 GOVERNING DOCUMENT PASSED BY THE POLITICAL SUBDIVISION
27 REMOVING ANY EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS
28 GRANTED BY THIS ACT EFFECTIVE UPON DECERTIFICATION BY THE
29 DEPARTMENT.

30 (B) PROCESS.--THE DEPARTMENT MAY GRANT THE REQUEST TO

DECERTIFY AND REMOVE THE PROPERTY PROVIDED THAT COMPLETED APPLICATIONS HAVE BEEN SUBMITTED BY ALL QUALIFIED POLITICAL SUBDIVISIONS IN WHICH THE PROPERTY IS LOCATED.

(C) COUNTY IMPROVEMENT.--

(1) PRIOR TO DECERTIFYING AND REMOVING THE DESIGNATION OF DETERIORATED PROPERTY AS PART OF A SUBZONE, IMPROVEMENT SUBZONE OR EXPANSION SUBZONE, AND FOLLOWING APPROVAL BY ALL QUALIFIED POLITICAL SUBDIVISIONS IN WHICH THE PROPERTY IS LOCATED, THE DEPARTMENT SHALL:

(I) CONSULT WITH THE COUNTY COMMISSIONERS OF THE COUNTY IN WHICH A MAJORITY OF THE PROPERTY THAT IS BEING DECERTIFIED IS LOCATED REGARDING DESIGNATION OF OTHER DETERIORATED PROPERTY WITHIN THE COUNTY IN PLACE OF THE DECERTIFIED PROPERTY.

(II) UPON RECOMMENDATION OF THE COUNTY COMMISSIONERS OF THE COUNTY IN WHICH A MAJORITY OF THE PROPERTY THAT IS BEING DECERTIFIED IS LOCATED, DESIGNATE PROPERTY WITHIN THE SAME COUNTY AS PART OF THE AFFECTED SUBZONE, IMPROVEMENT SUBZONE OR EXPANSION SUBZONE.

(2) IF THE COUNTY IN WHICH A MAJORITY OF THE PROPERTY THAT IS BEING DECERTIFIED IS LOCATED DOES NOT HAVE OTHER SUITABLE DETERIORATED PROPERTY TO BE DESIGNATED IN PLACE OF THE DECERTIFIED PROPERTY, THE DEPARTMENT MAY DESIGNATE THAT PART OF THE SUBZONE, IMPROVEMENT SUBZONE OR EXPANSION SUBZONE OUTSIDE OF THE COUNTY.

Section 1309. Expiration.

This act and all benefits associated with this act shall terminate December 31, [2018] 2021.

Section 3. The amendment of section 103 of the act shall apply to all zones established or modified after the effective

1 date of this act.

2 Section 4. This act shall take effect immediately.