

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2543 Session of
2002

INTRODUCED BY MELIO, BELFANTI, BEBKO-JONES, BELARDI, CASORIO,
COY, CRUZ, DeLUCA, FREEMAN, GEORGE, GRUITZA, HENNESSEY,
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GRUCELA, HARHAI, HORSEY, LAUGHLIN, S. MILLER, SATHER,
R. STEVENSON, THOMAS AND WOJNAROSKI, APRIL 10, 2002

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
APRIL 10, 2002

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 the zone authorization and duration of
14 program.

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

17 Section 1. Sections 301 and 301.1 of the act of October 6,
18 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone
19 and Keystone Opportunity Expansion Zone Act, amended or added
20 December 20, 2000 (P.L.841, No.119), are amended to read:

21 Section 301. Keystone opportunity zones.

1 (a) Establishment.--There is hereby established within the
2 department a program providing for keystone opportunity zones. A
3 keystone opportunity zone shall be comprised of deteriorated
4 property and shall not exceed a total of 5,000 acres.

5 (b) Zone authorization.--The department shall authorize not
6 more than 12 keystone opportunity zones in this Commonwealth.
7 Persons and businesses within an authorized keystone opportunity
8 zone that are qualified under this act shall be entitled to all
9 tax exemptions, deductions, abatements or credits set forth in
10 this act for a period not to exceed 15 years beginning [January
11 1, 1999, and ending on or before December 31, 2013] with the
12 date of designation of the keystone opportunity zone by the
13 department.

14 (c) Subzone designation.--The department may designate not
15 more than 12 subzones in each keystone opportunity zone. The
16 total number of subzone acres in a keystone opportunity zone
17 shall not exceed 5,000 acres in the aggregate.

18 (d) Authorization for local tax exemption.--Every political
19 subdivision within which a proposed subzone is located, whether
20 in whole or in part, is hereby authorized to provide tax
21 exemptions, deductions, abatements or credits to persons and
22 businesses qualified under this act. The political subdivision
23 shall agree to provide exemptions, deductions, abatements or
24 credits from all local taxes set forth in this act in order to
25 qualify to be designated a subzone. Except as provided in
26 section 303(e), the exemptions, deductions, abatements or
27 credits shall be effective January 1, 1999, if designation of a
28 subzone within the political subdivision is granted by the
29 department. The exemptions, deductions, abatements or credits
30 shall be binding upon the political subdivision for the duration

1 of the subzone designation.

2 (e) Authorization to extend the duration of a keystone
3 opportunity zone or subzone.--A subzone of a keystone
4 opportunity zone may request to extend its designation as a
5 subzone for a period of three years. [A subzone that is part of
6 a keystone opportunity zone that will expire on December 31,
7 2008, may extend its designation as a subzone to December 31,
8 2010, or to December 31, 2013.] The request to extend a subzone
9 designation shall be made on a subzone-by-subzone basis. A
10 qualified political subdivision having an approved subzone
11 within its jurisdiction and seeking to extend the subzone
12 designation shall pass the required ordinances, resolutions or
13 other required action of the qualified political subdivision for
14 the necessary exemptions, deductions, abatements or credits
15 pursuant to this act for the period beginning after [December
16 31, 2008, or] December 31, 2010, as the case may be, and shall
17 submit copies of the ordinance, resolution or other action to
18 the department by June 30, [2001] 2002. The department may grant
19 the request to extend provided all the proper binding
20 ordinances, resolutions or other governing documents are passed
21 by all qualified political subdivisions within the subzone
22 extending the necessary exemptions, deductions, abatements and
23 credits to the entire subzone to [December 31, 2010, or]
24 December 31, [2013.] 2027, however, no entity shall have more
25 than 15 years of relief under this act. The department shall
26 approve or deny the request for extension of duration of a
27 subzone by July 31, [2001] 2002, and shall provide written
28 notice, irrespective of whether approved or denied, to each
29 qualified political subdivision, resident and qualified business
30 affected. Upon approval of a request for extension of duration

1 of a subzone, the exemptions, deductions, abatements or credits
2 shall be binding upon the qualified political subdivision as
3 provided in subsection (d).

4 Section 301.1. Keystone opportunity expansion zones.

5 (a) Establishment.--There is hereby established within the
6 department a program providing for keystone opportunity
7 expansion zones. A keystone opportunity expansion zone shall be
8 comprised of deteriorated property and shall not exceed a total
9 of 1,500 acres.

10 (b) Authorization.--The department shall authorize not more
11 than 12 keystone opportunity expansion zones in this
12 Commonwealth. Persons and businesses within an authorized
13 keystone opportunity expansion zone that are qualified under
14 this act shall be entitled to all tax exemptions, deductions,
15 abatements or credits set forth in this act for a period of [ten
16 or 13] 15 years beginning [January 1, 2001, and ending on
17 December 31, 2010, or December 31, 2013] with the date of
18 designation of the keystone opportunity expansion zone by the
19 department.

20 (c) Expansion subzone designation.--The department may
21 designate not more than eight expansion subzones in a keystone
22 opportunity expansion zone. The total number of expansion
23 subzone acres in a keystone opportunity expansion zone shall not
24 exceed 1,500 acres in the aggregate.

25 (d) Authorization for local tax exemption.--Every political
26 subdivision within which a proposed expansion subzone is
27 located, whether in whole or in part, is hereby authorized to
28 provide tax exemptions, deductions, abatements or credits to
29 persons and businesses qualified under this act for a period
30 [ending December 31, 2010, or December 31, 2013] of 15 years or

1 until December 31, 2015, whichever last occurs. The exemption
2 period shall be uniform within each expansion subzone. The
3 political subdivision shall agree to provide exemptions,
4 deductions, abatements or credits from all local taxes set forth
5 in this act in order to qualify to be designated an expansion
6 subzone. The exemptions, deductions, abatements or credits shall
7 be effective January 1, 2001, if designation of an expansion
8 subzone within the political subdivision is granted by the
9 department. The exemptions, deductions, abatements or credits
10 shall be binding upon the political subdivision for the duration
11 of the expansion subzone designation.

12 Section 2. This act shall take effect immediately.