

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1175 Session of  
2007

INTRODUCED BY MANN, BENNINGTON, CAPPELLI, CAUSER, DePASQUALE,  
FABRIZIO, GEIST, GEORGE, GIBBONS, GRUCELA, HERSHEY, JAMES,  
JOSEPHS, M. KELLER, KORTZ, LEACH, MARKOSEK, McGEEHAN, MOYER,  
NAILOR, M. O'BRIEN, READSHAW, SANTONI, SIPTROTH, SONNEY,  
J. TAYLOR, THOMAS, WALKO, YOUNGBLOOD AND YUDICHAK,  
MAY 1, 2007

REFERRED TO COMMITTEE ON COMMERCE, MAY 1, 2007

AN ACT

1 Providing for the creation of keystone biorefinery opportunity  
2 zones to foster economic opportunities in this Commonwealth,  
3 to facilitate economic development, to stimulate industrial,  
4 commercial and residential improvements and prevent physical  
5 and infrastructure deterioration of geographic areas within  
6 this Commonwealth; authorizing expenditures; and providing  
7 tax exemptions, tax deductions, tax abatements and tax  
8 credits.

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

11 CHAPTER 1

12 PRELIMINARY PROVISIONS

13 Section 101. Short title.

14 This act shall be known and may be cited as the Keystone  
15 Biorefinery Opportunity Zone Act.

16 Section 102. Legislative findings.

17 (1) There exists in this Commonwealth and in the United  
18 States the need for new methods of and newer more efficient  
19 facilities for providing liquid fuels, both for economic

expansion and for energy security.

(2) This need can be met by providing opportunity for economic development partnerships to establish the necessary facilities and attendant infrastructure to provide for a home-grown energy industry. The establishment of these partnerships in the Commonwealth would make significant contributions to the economic and social life of this Commonwealth as well as providing this Commonwealth and our nation with needed alternatives to high-cost imported supplies of energy products.

(3) The long-term economic viability of this Commonwealth and this nation are dependent on secure and reliable sources of energy developed from homegrown products.

#### Section 103. Definitions.

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

"Alcohols." Fuels composed of 85% ethanol or methanol and 15% gasoline.

"Alternative fuel." A motor vehicle fuel or fuel system which when compared to conventional gasoline or reformulated gasoline, diesel fuel, oil or coal will result in lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide or particulates, toxic air pollutants, greenhouse gases or any combination thereof.

"Alternative fuel producer." A producer of an alternative fuel whose production facility of alternative fuel is located within this Commonwealth.

"Biodiesel fuel." One of the following:

(1) A biofuel derived from vegetable oil or animal fat

1 that is designated B100 and meets the American Society of  
2 Testing and Materials International specification D6751.

3 (2) Fuel comprised of 20% biodiesel with 80% diesel  
4 fuel.

5 "Biofuel." Fuel derived from alcohols, ether, esters and  
6 other chemicals made from cellulosic biomass such as herbaceous  
7 and woody plants, agricultural and forestry residues and a large  
8 portion of municipal solid and industrial waste.

9 "Biorefinery opportunity zone." A defined geographic area  
10 comprised of one or more political subdivisions or portions of  
11 political subdivisions designated by the Department of Community  
12 and Economic Development under the act of October 6, 1998  
13 (P.L.705, No.92), known as the Keystone Opportunity Zone,  
14 Keystone Opportunity Expansion Zone and Keystone Opportunity  
15 Improvement Zone Act. A keystone opportunity zone may be  
16 comprised of not more than 12 subzones.

17 "Business." An association, partnership, corporation, sole  
18 proprietorship, limited liability company or employer.

19 "Department." The Department of Community and Economic  
20 Development of the Commonwealth.

21 "Deteriorated property." Any blighted, impoverished area  
22 containing residential, industrial, commercial or other real  
23 property that is abandoned, unsafe, vacant, undervalued,  
24 underutilized, overgrown, defective, condemned or demolished or  
25 which contains economically undesirable land use. The term  
26 includes property adjacent to deteriorated property that is  
27 significantly undervalued and underutilized due to the proximity  
28 of the deteriorated property and property which has been  
29 designated as deteriorated property in accordance with any other  
30 act.

1 "Metropolitan statistical area." A core area containing a  
2 city with a population of 50,000 or more or a bureau of census-  
3 defined urbanized area of 50,000 with a total metropolitan  
4 population of at least 100,000.

5 "Opportunity plan." A written plan that addresses the  
6 criteria and meets the requirements of this act.

7 "Person." Any natural person.

8 "Political subdivision." A county, city, borough, township,  
9 town or school district with taxing jurisdiction in a defined  
10 geographic area within this Commonwealth.

11 "Qualified business." A biorefinery which is determined by  
12 the Department of Community and Economic Development to be an  
13 alternative fuel producer, located within this Commonwealth,  
14 which produces and distributes for use as a transportation fuel  
15 an alternative fuel, including, but not limited to, alcohols,  
16 biodiesel, biofuels, compressed natural gas (CNG), liquefied  
17 natural gas (LNG), hydrogen, hythane, electricity or any  
18 combination of these fuels.

19 "Qualified political subdivision." A political subdivision  
20 which has real property within its jurisdiction which has been  
21 designated by the Department of Community and Economic  
22 Development as a subzone, expansion subzone or improvement  
23 subzone under the act of October 6, 1998 (P.L.705, No.92), known  
24 as the Keystone Opportunity Zone, Keystone Opportunity Expansion  
25 Zone and Keystone Opportunity Improvement Zone Act.

26 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,  
27 No.2), known as the Tax Reform Code of 1971, and any subsequent  
28 amendments thereto.

29 CHAPTER 3

30 BIOREFINERY OPPORTUNITY ZONES

1 Section 301. Establishment.

2 There is hereby established within the department a program  
3 providing for biorefinery opportunity zones. A biorefinery  
4 opportunity zone shall be comprised of deteriorated property  
5 located within a subzone, expansion subzone or improvement  
6 subzone under the act of October 6, 1998 (P.L.705, No.92), known  
7 as the Keystone Opportunity Zone, Keystone Opportunity Expansion  
8 Zone and Keystone Opportunity Improvement Zone Act. The  
9 department shall authorize qualified businesses to locate into  
10 any keystone opportunity zone, keystone opportunity expansion  
11 zone or keystone opportunity improvement zone located within  
12 this Commonwealth. Qualified businesses shall be entitled to all  
13 Commonwealth tax exemptions, deductions, abatements or credits  
14 set forth in the Keystone Opportunity Zone, Keystone Opportunity  
15 Expansion Zone and Keystone Opportunity Improvement Zone Act for  
16 a period not to exceed 15 years beginning January 1, 2008, and  
17 ending on or before December 31, 2018. In addition, every  
18 political subdivision in which a biorefinery is located may  
19 extend the tax exemptions, deductions, abatements and credits it  
20 has authorized under the Keystone Opportunity Zone, Keystone  
21 Opportunity Expansion Zone and Keystone Opportunity Improvement  
22 Zone Act until January 1, 2018, to persons and businesses  
23 qualified under this act.

24 Section 302. Application.

25 One or more political subdivisions, or a designee of one or  
26 more political subdivisions, may inform the department that they  
27 have designated property within an existing keystone opportunity  
28 zone, keystone opportunity expansion zone or keystone  
29 opportunity improvement zone as a biorefinery opportunity zone.

30 Section 303. Qualified businesses.

1 In order to qualify each year for a tax exemption, deduction,  
2 abatement or credit under this act, a business shall own or  
3 lease real property in a subzone, improvement subzone or  
4 expansion subzone from which the business actively does business  
5 as a biorefinery. The qualified business shall receive  
6 certification from the department that the business is located  
7 and is actively conducting the business of a biorefinery. The  
8 business shall obtain annual renewal of the certification from  
9 the department to continue to qualify under this act.

10 CHAPTER 5

11 MISCELLANEOUS PROVISIONS

12 Section 501. Effective date.

13 This act shall take effect immediately.