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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE RESOLUTION

No. 115 Session of  
2007

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INTRODUCED BY EACHUS, McCALL, COHEN, ARGALL, MUNDY, KIRKLAND,  
M. O'BRIEN, STABACK, SANTONI, GEORGE, GRUCELA, PETRONE,  
NICKOL, CARROLL, MANN, CAPPELLI, FAIRCHILD, BENNINGHOFF,  
CLYMER, MILLARD, MARKOSEK, KING, JOSEPHS, FABRIZIO, K. SMITH,  
HORNAMAN, YOUNGBLOOD AND KORTZ, MARCH 19, 2007

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REFERRED TO COMMITTEE ON FINANCE, MARCH 19, 2007

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## A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to  
2 determine the effectiveness of keystone opportunity zones,  
3 keystone opportunity expansion zones and keystone opportunity  
4 improvement zones.

5 WHEREAS, The Keystone Opportunity Zone, Keystone Opportunity  
6 Expansion Zone and Keystone Opportunity Improvement Zone Act was  
7 established to provide for the creation of keystone opportunity  
8 zones, keystone opportunity expansion zones and keystone  
9 opportunity improvement zones to foster economic opportunities  
10 in this Commonwealth; and

11 WHEREAS, The primary components of keystone opportunity  
12 zones, keystone opportunity expansion zones and keystone  
13 opportunity improvement zones enable qualifying business and  
14 residential property tax owners to be exempt from certain State  
15 and local taxes, including real property taxes; and

16 WHEREAS, The real estate tax is the main source of locally  
17 generated revenue to fund Pennsylvania's school districts and

1 municipalities and the base for the property tax is the value of  
2 all real property within the borders of each school district and  
3 municipality; and

4 WHEREAS, School districts and municipalities must often  
5 increase property taxes because of an increase in revenue needs,  
6 a reduction in the actual collection of revenues or an  
7 alteration of the tax base; and

8 WHEREAS, Such reductions in the collection of revenues will  
9 likely result when a significant portion of a school district's  
10 or municipality's property is exempted from local property taxes  
11 under the keystone opportunity zone, keystone opportunity  
12 expansion zone or the keystone opportunity improvement zone  
13 programs; and

14 WHEREAS, School districts and municipalities will be  
15 encouraged to shift this financial burden to the remaining  
16 taxable property in their boundaries; and

17 WHEREAS, No measurable data has been collected with regard to  
18 the overall effectiveness of the keystone opportunity zone,  
19 keystone opportunity expansion zone and keystone opportunity  
20 improvement zone programs in sustaining real and long-term  
21 economic growth in qualifying regions; therefore be it

22 RESOLVED, That the House of Representatives direct the  
23 Legislative Budget and Finance Committee to determine the  
24 effectiveness of the keystone opportunity zone, keystone  
25 opportunity expansion zone and keystone opportunity improvement  
26 zone programs in this Commonwealth; and be it further

27 RESOLVED, That, in furtherance of its study, the Legislative  
28 Budget and Finance Committee shall:

29 (1) Identify the programs' effects on economic  
30 development in keystone opportunity zone, keystone

1 opportunity expansion zone and keystone opportunity  
2 improvement zone areas as compared to nearby areas that do  
3 not contain tax-free zones.

4 (2) Discuss any major trends in the types of new  
5 business that have resulted from these programs and include  
6 an estimate of the total number of new jobs that have been  
7 created since the programs' inception.

8 (3) Examine the potential effects of statutory  
9 requirements on school districts and municipalities  
10 throughout Pennsylvania.

11 (4) Identify the potential loss of revenue from tax-  
12 exempt properties that will shift to those remaining in the  
13 tax base of each applicable school district and municipality  
14 and discuss alternative means for school districts and  
15 municipalities to recoup this revenue;

16 and be it further

17 RESOLVED, That the Legislative Budget and Finance Committee  
18 report all findings, conclusions and recommendations to the  
19 House of Representatives within six months of the passage of  
20 this resolution.