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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Memorandum

To: All House Members

From: Representative Robert F. Matzie

Handwritten signature of Robert F. Matzie in black ink.

Date: January 5, 2011

Re: The Economic Development Responsibility Act (Former HB 2645)

In the near future, I will be re-introducing The Economic Development Responsibility Act (former HB 2645). Pennsylvania has dozens of programs in place that provide some level of assistance to businesses wanting to locate/grow in our Commonwealth. Redevelopment Capitol Assistance Grants, tax credits, Opportunity Grants, Machinery and Equipment Loans and many other programs are all tools that we as State Government use to attract jobs.

Sadly, what we often find is that those who accept public subsidies do not do their part in ensuring that the jobs they are supposed to create are actually above poverty level. **This needs to change.**

Responsible use of public dollars to spur private development should never result in poverty-level jobs. We in the General Assembly should do all we can to ensure good paying jobs are created when tax money is put at risk. To that end, the Economic Development Responsibility Act will:

1. *Require that recipients of economic development subsidies from the State pay their building service and food workers the higher of either 150% of the minimum wage; the standard industry wage as established by the Service Contract Act, or; applicable wage requirements mandated by local wage laws.*
2. *Apply to any project that receives State subsidies in the form of grants, discounted or forgiven loans, bond financing, infrastructure improvements, below market sale or lease of property, tax increment financing, tax credits, tax incentives, or other types of financial assistance with a total value of at least \$25,000.*

-OVER-

3. *Apply to projects occupying spaces of at least 100,000 square feet.*
4. *Cover building service employees and food service employees.*

With Economic Development resources as scarce as they have been in a generation, more and more companies and developers are turning to government for financial help. We have an obligation to hold them to a higher standard.

Previous Co-Sponsors- *BRADFORD, BELFANTI, THOMAS, BROWN, CALTAGIRONE, D. COSTA, P. COSTA, DALEY, DEASY, DePASQUALE, DERMODY, GERBER, GIBBONS, GERGELY, GOODMAN, GRUCELA, HARKINS, HORNAMAN, JOSEPHS, KORTZ, MUNDY, MURPHY, M. O'BRIEN, PASHINSKI, PRESTON, SABATINA, SEIP, SIPTROTH, STABACK, R. TAYLOR, WAGNER and WHITE*

If you are interested in co-sponsoring this legislation, please contact Keontay R. Hodge in my office at 717-787-4444, 6607 (in- house) or Khodge@pahouse.net.

Thanking you in advance.

RFM/krh