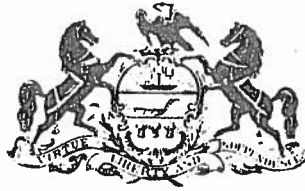


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*House of Representatives*  
**COMMONWEALTH OF PENNSYLVANIA**

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# MEMORANDUM

February 23, 2011

**TO:** To All House Members

**FROM:** Representative Ron Marsico, Majority Chairman  
House Judiciary Committee

**SUBJECT:** Cosponsorship of Legislation to Exempt KOZs from Prevailing Wage Act

Please find attached a copy of legislation that I plan to reintroduce from last session (HB 1149) in the near future to amend the "Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act" (Act 92 of 1998) to exempt construction/reconstruction projects in Keystone Opportunity Zones (KOZs) from the requirements of the Prevailing Wage Act. The Prevailing Wage Act requires that "prevailing wages" be paid on public projects in the Commonwealth that are over \$25,000 in project costs. The Department of Labor & Industry has made the administrative determination that they consider the local prevailing wage to be the union wage rates which are in effect for a particular area. Studies in Pennsylvania, and other states, have consistently indicated that the requirements of state prevailing wage laws elevate the costs of public construction projects anywhere from 10%-20%.

I believe that KOZs are, by definition, areas that are blighted and which need both public and private investment. In particular, many KOZ areas are in need of public infrastructure improvements to attract investment. Thus, I believe that we need to exempt these areas from the requirements of the Prevailing Wage Act to allow public bodies to maximize the dollars they have to spend on infrastructure improvements.

If you would like to co-sponsor this measure, please contact Michelle or Anna at 783-2014 or via e-mail at [mmoore@pahousegop.com](mailto:mmoore@pahousegop.com). Thank you.

**Previous HB 1149 co-sponsors:** BEAR, BOYD, CAUSER, CREIGHTON, CUTLER, EVERETT, FAIRCHILD, GEIST, GINGRICH, GROVE, HENNESSEY, HICKERNELL, KAUFFMAN, M. KELLER, MAHONEY, MAJOR, METCALFE, MILLER, MOUL, PHILLIPS, RAPP, REICHLEY, ROAE, ROCK, ROHRER, SAYLOR, SCAVELLO, STEVENSON, SWANGER, TALLMAN, TRUE, TURZAI, DENLINGER and HARHART

