

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 108 Session of
1999

INTRODUCED BY SCRIMENTI, WALKO, LYNCH, BOYES, GEORGE,
YOUNGBLOOD, HENNESSEY, CAPPABIANCA, MUNDY, MELIO, BEBKO-
JONES, KAISER, PESCI, JOSEPHS, MANN, SAINATO, TRELLO, SHANER,
DeLUCA, LAUGHLIN, BELFANTI, HARHAI, M. COHEN, SATHER,
LEVANSKY, BROWNE, JAMES, STEELMAN, RAMOS AND MAHER,
APRIL 7, 1999

REFERRED TO COMMITTEE ON INTERGOVERNMENTAL AFFAIRS,
APRIL 7, 1999

A CONCURRENT RESOLUTION

1 Urging the Governor to call for a Summit of Governors to convene
2 and address the bidding wars of states that engage in the
3 practice of luring new and existing businesses from other
4 states.

5 WHEREAS, The halting of bidding wars would enhance business
6 competition, minimize unemployment and protect consumer rights;
7 and

8 WHEREAS, Targeted business incentive programs have
9 proliferated into a counterproductive economic war among the
10 states and now represent a significant portion of State-
11 sponsored "economic development" efforts; and

12 WHEREAS, The October 1998 Statistical Abstract of the United
13 States issued by the United States Department of Commerce found
14 Pennsylvania ranked seventh in the country in 1997 new business
15 starts behind California, New York, Florida, Texas, New Jersey
16 and Illinois; and

1 WHEREAS, The economic war among the states will not benefit
2 the national economy because bidding wars merely transfer jobs
3 from one area to another. The bidding wars among the states
4 often result in the draining of resources for education and
5 infrastructure from winning localities that are necessary to
6 keep industries and to attract more. As states and localities
7 rush to attract business investment through tax cuts and
8 subsidies they often find other states with economic development
9 incentives that are more generous, leaving states to choose to
10 either offer more incentives or lose business. These incentives
11 continue to escalate as competing states increase the appeal of
12 their business incentives and thus raise the stakes; and

13 WHEREAS, The Pennsylvania General Assembly should monitor the
14 interstate competition in relation to business incentives to
15 ensure that a situation detrimental to the overall welfare of
16 the State is not created; therefore be it

17 RESOLVED (the Senate concurring), That the House of
18 Representatives urge Governor Thomas J. Ridge to convene a
19 Summit of Governors to convene and address the bidding wars of
20 states that engage in the practice of luring new and existing
21 businesses from other states.