
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 120 Session of
2001

INTRODUCED BY SCRIMENTI, WALKO, BOYES, LEVDANSKY, TRICH, THOMAS,
BELFANTI, BARRAR, SHANER, LAUGHLIN, MANN, CAPPABIANCA,
YOUNGBLOOD, SATHER, CRUZ, READSHAW, M. COHEN, MUNDY, DeLUCA,
BEBKO-JONES, GEORGE, STEELMAN, HARHAI, CALTAGIRONE, KAISER
AND JOSEPHS, MARCH 22, 2001

REFERRED TO COMMITTEE ON RULES, MARCH 22, 2001

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

17 WHEREAS, The economic war among the states will not benefit

1 the national economy because bidding wars merely transfer jobs
2 from one area to another. The bidding wars among the states
3 often result in the draining of resources for education and
4 infrastructure from winning localities that are necessary to
5 keep industries and to attract more. As states and localities
6 rush to attract business investment through tax cuts and
7 subsidies they often find other states with economic development
8 incentives that are more generous, leaving states to choose to
9 either offer more incentives or lose business. These incentives
10 continue to escalate as competing states increase the appeal of
11 their business incentives and thus raise the stakes; and

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

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