

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 299**      Session of  
2003

INTRODUCED BY WOZNIAK, KUKOVICH, D. WHITE, WAGNER, MUSTO,  
LAVALLE, TARTAGLIONE, KITCHEN, COSTA, DENT, CORMAN, EARLL,  
O'PAKE, KASUNIC, PILEGGI, C. WILLIAMS, GREENLEAF AND STACK,  
FEBRUARY 13, 2003

REFERRED TO FINANCE, FEBRUARY 13, 2003

AN ACT

1 Amending the act of October 6, 1998 (P.L.705, No.92), entitled,  
2 as amended, "An act providing for the creation of keystone  
3 opportunity zones and keystone opportunity expansion zones to  
4 foster economic opportunities in this Commonwealth, to  
5 facilitate economic development, stimulate industrial,  
6 commercial and residential improvements and prevent physical  
7 and infrastructure deterioration of geographic areas within  
8 this Commonwealth; authorizing expenditures; providing tax  
9 exemptions, tax deductions, tax abatements and tax credits;  
10 creating additional obligations of the Commonwealth and local  
11 governmental units; and prescribing powers and duties of  
12 certain State and local departments, agencies and officials,"  
13 further providing for keystone opportunity zones, for  
14 keystone opportunity expansion zones, for application, for  
15 tax credit determination and for expiration of act.

16 The General Assembly of the Commonwealth of Pennsylvania  
17 hereby enacts as follows:

18 Section 1. Sections 301 and 301.1 of the act of October 6,  
19 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone  
20 and Keystone Opportunity Expansion Zone Act, amended or added  
21 December 20, 2000 (P.L.841, No.119) and December 9, 2002  
22 (P.L.1727, No.217), are amended to read:

23 Section 301. Keystone opportunity zones.

1 (a) Establishment.--There is hereby established within the  
2 department a program providing for keystone opportunity zones. A  
3 keystone opportunity zone shall be comprised of deteriorated  
4 property and shall not exceed a total of 5,000 acres.

5 (b) Zone authorization.--The department shall authorize not  
6 more than 12 keystone opportunity zones in this Commonwealth.  
7 Persons and businesses within an authorized keystone opportunity  
8 zone that are qualified under this act shall be entitled to all  
9 tax exemptions, deductions, abatements or credits set forth in  
10 this act for a period not to exceed 15 years beginning January  
11 1, 1999, or at the time the qualified person or business begins  
12 active conduct of its trade or business, whichever occurs later,  
13 and ending on or before December 31, [2013] 2028.

14 (c) Subzone designation.--The department may designate not  
15 more than 12 subzones in each keystone opportunity zone. The  
16 total number of subzone acres in a keystone opportunity zone  
17 shall not exceed 5,000 acres in the aggregate.

18 (d) Authorization for local tax exemption.--Every political  
19 subdivision within which a proposed subzone is located, whether  
20 in whole or in part, is hereby authorized to provide tax  
21 exemptions, deductions, abatements or credits to persons and  
22 businesses qualified under this act. The political subdivision  
23 shall agree to provide exemptions, deductions, abatements or  
24 credits from all local taxes set forth in this act in order to  
25 qualify to be designated a subzone. Except as provided in  
26 section 303(e), the exemptions, deductions, abatements or  
27 credits shall be effective January 1, 1999, if designation of a  
28 subzone within the political subdivision is granted by the  
29 department. The exemptions, deductions, abatements or credits  
30 shall be binding upon the political subdivision for the duration

1 of the subzone designation.

2 (e) Authorization to extend the duration of a keystone  
3 opportunity zone or subzone.--

4 (1) A subzone of a keystone opportunity zone may request  
5 to extend its designation as a subzone for a period of three  
6 years. A subzone that is part of a keystone opportunity zone  
7 that will expire on December 31, 2008, may extend its  
8 designation as a subzone to December 31, 2010, or to December  
9 31, 2013. The request to extend a subzone designation shall  
10 be made on a subzone-by-subzone basis. A qualified political  
11 subdivision having an approved subzone within its  
12 jurisdiction and seeking to extend the subzone designation  
13 shall pass the required ordinances, resolutions or other  
14 required action of the qualified political subdivision for  
15 the necessary exemptions, deductions, abatements or credits  
16 pursuant to this act for the period beginning after December  
17 31, 2008, or December 31, 2010, as the case may be, and shall  
18 submit copies of the ordinance, resolution or other action to  
19 the department by June 30, 2001. The department may grant the  
20 request to extend provided all the proper binding ordinances,  
21 resolutions or other governing documents are passed by all  
22 qualified political subdivisions within the subzone extending  
23 the necessary exemptions, deductions, abatements and credits  
24 to the entire subzone to December 31, 2010, or December 31,  
25 2013. The department shall approve or deny the request for  
26 extension of duration of a subzone by July 31, 2001, and  
27 shall provide written notice, irrespective of whether  
28 approved or denied, to each qualified political subdivision,  
29 resident and qualified business affected. Upon approval of a  
30 request for extension of duration of a subzone, the

1 exemptions, deductions, abatements or credits shall be  
2 binding upon the qualified political subdivision as provided  
3 in subsection (d).

4 (2) In addition to the authority to extend the duration  
5 of a subzone of a keystone opportunity zone under paragraph  
6 (1), a subzone may request to extend its designation as a  
7 subzone for a period to end December 31, 2028. The request to  
8 extend a subzone designation shall be made on a subzone-to-  
9 subzone basis. A qualified political subdivision having an  
10 approved subzone within its jurisdiction and seeking to  
11 extend the subzone designation shall pass the required  
12 ordinances, resolutions or other required action of the  
13 qualified political subdivision for the necessary exemptions,  
14 deductions, abatements or credits pursuant to this act for  
15 the period to end December 31, 2028, and shall submit copies  
16 of the ordinance, resolution or other action to the  
17 department by June 30, 2004. The department may grant the  
18 request to extend provided all the proper binding ordinances,  
19 resolutions or other governing documents are passed by all  
20 qualified political subdivisions within the subzone extending  
21 the necessary exemptions, deductions, abatements and credits  
22 to the entire subzone to December 31, 2028. The ordinance,  
23 resolution or other governing document must specify that no  
24 entity shall have more than 15 years of tax relief under this  
25 act. The department shall approve or deny the request for  
26 extension of duration of a subzone within 30 days of receipt  
27 of the request and shall provide notice, irrespective of  
28 whether approved or denied, to each qualified political  
29 subdivision, resident and qualified business affected. Upon  
30 approval of a request for extension of duration of a subzone,

1 the exemptions, deductions, abatements or credits shall be  
2 binding upon the qualified political subdivision as provided  
3 in subsection (d).

4 (f) Authorization to enhance existing subzones.--Unless as a  
5 result of a request the limitation on size established in  
6 subsection (a) would be exceeded, a subzone of a keystone  
7 opportunity zone may request to enhance its size. The request to  
8 enhance a subzone must be made on a subzone-by-subzone basis. A  
9 qualified political subdivision having an approved subzone  
10 within its jurisdiction which is seeking to enhance its size  
11 must pass the required ordinances, resolutions or other required  
12 action of the qualified political subdivision for the necessary  
13 exemptions, deductions, abatements or credits pursuant to this  
14 act for the period beginning on the date of designation and  
15 ending on the date the subzone expires and must submit copies of  
16 the ordinance, resolution or other action to the department by  
17 June 1, 2003.

18 Section 301.1. Keystone opportunity expansion zones.

19 (a) Establishment.--There is hereby established within the  
20 department a program providing for keystone opportunity  
21 expansion zones. A keystone opportunity expansion zone shall be  
22 comprised of deteriorated property and shall not exceed a total  
23 of 1,500 acres.

24 (b) Authorization.--The department shall authorize not more  
25 than 12 keystone opportunity expansion zones in this  
26 Commonwealth. Persons and businesses within an authorized  
27 keystone opportunity expansion zone that are qualified under  
28 this act shall be entitled to all tax exemptions, deductions,  
29 abatements or credits set forth in this act for a period of ten  
30 or 13 years beginning January 1, 2001, or at the time the

1 qualified person or business begins active conduct of its trade  
2 or business, whichever occurs later, and ending on December 31,  
3 2010, [or], December 31, 2013 or December 31, 2028.

4 (c) Expansion subzone designation.--The department may  
5 designate not more than eight expansion subzones in a keystone  
6 opportunity expansion zone. The total number of expansion  
7 subzone acres in a keystone opportunity expansion zone shall not  
8 exceed 1,500 acres in the aggregate.

9 (d) Authorization for local tax exemption.--Every political  
10 subdivision within which a proposed expansion subzone is  
11 located, whether in whole or in part, is hereby authorized to  
12 provide tax exemptions, deductions, abatements or credits to  
13 persons and businesses qualified under this act for a period  
14 ending December 31, 2010, or December 31, 2013. The exemption  
15 period shall be uniform within each expansion subzone. The  
16 political subdivision shall agree to provide exemptions,  
17 deductions, abatements or credits from all local taxes set forth  
18 in this act in order to qualify to be designated an expansion  
19 subzone. The exemptions, deductions, abatements or credits shall  
20 be effective January 1, 2001, if designation of an expansion  
21 subzone within the political subdivision is granted by the  
22 department. The exemptions, deductions, abatements or credits  
23 shall be binding upon the political subdivision for the duration  
24 of the expansion subzone designation.

25 (d.1) Authorization to extend duration of keystone  
26 opportunity expansion zone.--In addition to the authority to  
27 extend the duration of a subzone of a keystone opportunity zone  
28 under this act, an expansion subzone of a keystone opportunity  
29 zone may request to extend its designation as an expansion  
30 subzone for a period to end December 31, 2028. The request to

1 extend an expansion subzone designation shall be made on an  
2 expansion subzone-to-expansion subzone basis. A qualified  
3 political subdivision having an approved expansion subzone  
4 within its jurisdiction and seeking to extend the expansion  
5 subzone designation shall pass the required ordinances,  
6 resolutions or other required action of the qualified political  
7 subdivision for the necessary exemptions, deductions, abatements  
8 or credits pursuant to this act for the period to end December  
9 31, 2028, and shall submit copies of the ordinance, resolution  
10 or other action to the department by June 30, 2004. The  
11 department may grant the request to extend provided all the  
12 proper binding ordinances, resolutions or other governing  
13 documents are passed by all qualified political subdivisions  
14 within the expansion subzone extending the necessary exemptions,  
15 deductions, abatements and credits to the entire expansion  
16 subzone to December 31, 2028. The ordinance, resolution or other  
17 governing document must specify that no entity shall have more  
18 than 15 years of tax relief under this act. The department shall  
19 approve or deny the request for extension of duration of an  
20 expansion subzone within 30 days of receipt of the request and  
21 shall provide notice, irrespective of whether approved or  
22 denied, to each qualified political subdivision, resident and  
23 qualified business affected. Upon approval of a request for  
24 extension of duration of an expansion subzone, the exemptions,  
25 deductions, abatements or credits shall be binding upon the  
26 qualified political subdivision as provided in subsection (d).

27 (e) Authorization to enhance existing expansion subzones.--  
28 Unless as a result of a request the limitation on size  
29 established in subsection (a) would be exceeded, an expansion  
30 subzone of a keystone opportunity expansion zone may request to

1 enhance its size. The request to enhance the expansion subzone  
2 must be made on a subzone-by-subzone basis. A qualified  
3 political subdivision having an approved expansion subzone  
4 within its jurisdiction which is seeking to enhance its size  
5 must pass the required ordinances, resolutions or other required  
6 action of the qualified political subdivision for the necessary  
7 exemptions, deductions, abatements or credits pursuant to this  
8 act for the period beginning on the date of designation and  
9 ending on the date the expansion subzone expires and must submit  
10 copies of the ordinance, resolution or other action to the  
11 department by June 1, 2003.

12 Section 2. Sections 302(a), 518(e), 519(e) and 1309 of the  
13 act, amended December 9, 2002 (P.L.1727, No.217), are amended to  
14 read:

15 Section 302. Application.

16 (a) Initial application.--One or more political  
17 subdivisions, or a designee of one or more political  
18 subdivisions, may apply to the department to designate  
19 deteriorated property within the political subdivision or  
20 portions thereof a subzone or expansion subzone. The application  
21 shall contain the following:

22 (1) The geographic area of the proposed keystone  
23 opportunity zone or proposed keystone opportunity expansion  
24 zone. The geographic area shall be located within the  
25 boundaries of the participating political subdivision and  
26 shall not contain more than 5,000 acres in the case of a  
27 keystone opportunity zone or 1,500 acres in the case of a  
28 keystone opportunity expansion zone.

29 (2) An opportunity plan that shall include the  
30 following:

1 (i) A detailed map of the proposed keystone  
2 opportunity zone or proposed keystone opportunity  
3 expansion zone, including geographic boundaries, total  
4 area and present use and conditions of the land and  
5 structures of the proposed keystone opportunity zone or  
6 proposed keystone opportunity expansion zone.

7 (ii) Evidence of support from and participation of  
8 local government, school districts and other educational  
9 institutions, business groups, community organizations  
10 and the public.

11 (iii) A proposal to increase economic opportunity,  
12 reduce crime, improve education, facilitate  
13 infrastructure improvement, reduce the local regulating  
14 burden and identify potential jobs and job training  
15 opportunities and which states whether or not the zone is  
16 located in an area which has tax revenue dedicated to the  
17 payment of debt.

18 (iv) A description of the current social, economic  
19 and demographic characteristics of the proposed keystone  
20 opportunity zone or proposed keystone opportunity  
21 expansion zone and anticipated improvements in education,  
22 health, human services, public safety and employment that  
23 will result from keystone opportunity zone or keystone  
24 opportunity expansion zone designation.

25 (v) A description of anticipated activity in the  
26 proposed keystone opportunity zone or proposed keystone  
27 opportunity expansion zone, including, but not limited  
28 to, industrial use, industrial site reuse, commercial or  
29 retail use and residential use.

30 (vi) Evidence of potential private and public

1 investment in the proposed keystone opportunity zone or  
2 proposed keystone opportunity expansion zone.

3 (vii) The role of the proposed keystone opportunity  
4 zone or proposed keystone opportunity expansion zone in  
5 regional economic and community development.

6 (viii) Plans to utilize existing resources for the  
7 administration of the proposed keystone opportunity zone  
8 or proposed keystone opportunity expansion zone.

9 (ix) Any other information deemed appropriate by the  
10 department.

11 (3) A report on youth at risk to include issues relating  
12 to health, welfare and education.

13 (4) The duration of the proposed subzones or proposed  
14 expansion subzones. [The duration of a subzone may not exceed  
15 15 years. The duration of an expansion subzone may not exceed  
16 13 years.]

17 (5) A formal, binding ordinance or resolution passed by  
18 every political subdivision in which the proposed subzone or  
19 proposed expansion subzone is located that specifically  
20 provides for all local tax exemptions, deductions, abatements  
21 or credits for persons and businesses set forth in this act.

22 (6) Evidence that the proposed keystone opportunity zone  
23 or proposed keystone opportunity expansion zone meets the  
24 required criteria under section 304.

25 \* \* \*

26 Section 518. Keystone opportunity zone job tax credit, keystone  
27 opportunity improvement zone job tax credit or  
28 keystone opportunity expansion zone job tax  
29 credit.

30 \* \* \*

1 (e) Credit determinations.--The keystone opportunity zone  
2 job tax credit, keystone opportunity improvement zone job tax  
3 credit or keystone opportunity expansion zone job tax credit  
4 shall be determined by multiplying the monthly average of all  
5 full-time jobs by the allowance. The allowance for purposes of  
6 the keystone opportunity zone job tax credit, keystone  
7 opportunity improvement zone job tax credit or keystone  
8 opportunity expansion zone job tax credit for taxable years  
9 beginning within the dates set forth shall be as follows:

10	January 1, 2001, to	
11	December 31, 2001	\$500 per job
12	January 1, 2002, to	
13	December 31, 2002	\$750 per job
14	January 1, 2003, to	
15	December 31, 2003	\$1,000 per job
16	January 1, 2004, to	
17	December 31, 2004	\$1,250 per job
18	January 1, 2005, to	
19	December 31, 2005	\$1,250 per job
20	January 1, 2006, to	
21	December 31, 2006	\$1,250 per job
22	January 1, 2007, to	
23	December 31, 2007	\$1,250 per job
24	January 1, 2008, to	
25	December 31, 2008	\$1,250 per job
26	January 1, 2009, to	
27	December 31, 2009	\$1,250 per job
28	January 1, 2010, to	
29	December 31, 2010	\$1,250 per job
30	January 1, 2011, to	

1	December 31, 2011	\$1,250 per job
2	January 1, 2012, to	
3	December 31, 2012	\$1,250 per job
4	January 1, 2013, to	
5	December 31, 2013	\$1,250 per job
6	January 1, 2014, to	
7	December 31, 2014	\$1,250 per job
8	January 1, 2015, to	
9	December 31, 2015	\$1,250 per job
10	January 1, 2016, to	
11	December 31, 2016	\$1,250 per job
12	January 1, 2017, to	
13	December 31, 2017	\$1,250 per job
14	January 1, 2018, to	
15	December 31, 2018	\$1,250 per job
16	<u>January 1, 2019, to</u>	
17	<u>December 31, 2019</u>	<u>\$1,250 per job</u>
18	<u>January 1, 2020, to</u>	
19	<u>December 31, 2020</u>	<u>\$1,250 per job</u>
20	<u>January 1, 2021, to</u>	
21	<u>December 31, 2021</u>	<u>\$1,250 per job</u>
22	<u>January 1, 2022, to</u>	
23	<u>December 31, 2022</u>	<u>\$1,250 per job</u>
24	<u>January 1, 2023, to</u>	
25	<u>December 31, 2023</u>	<u>\$1,250 per job</u>
26	<u>January 1, 2024, to</u>	
27	<u>December 31, 2024</u>	<u>\$1,250 per job</u>
28	<u>January 1, 2025, to</u>	
29	<u>December 31, 2025</u>	<u>\$1,250 per job</u>
30	<u>January 1, 2026, to</u>	



1	December 31, 2005	\$1,250 per job
2	January 1, 2006, to	
3	December 31, 2006	\$1,250 per job
4	January 1, 2007, to	
5	December 31, 2007	\$1,250 per job
6	January 1, 2008, to	
7	December 31, 2008	\$1,250 per job
8	January 1, 2009, to	
9	December 31, 2009	\$1,250 per job
10	January 1, 2010, to	
11	December 31, 2010	\$1,250 per job
12	January 1, 2011, to	
13	December 31, 2011	\$1,250 per job
14	January 1, 2012, to	
15	December 31, 2012	\$1,250 per job
16	January 1, 2013, to	
17	December 31, 2013	\$1,250 per job
18	January 1, 2014, to	
19	December 31, 2014	\$1,250 per job
20	January 1, 2015, to	
21	December 31, 2015	\$1,250 per job
22	January 1, 2016, to	
23	December 31, 2016	\$1,250 per job
24	January 1, 2017, to	
25	December 31, 2017	\$1,250 per job
26	January 1, 2018, to	
27	December 31, 2018	\$1,250 per job
28	<u>January 1, 2019, to</u>	
29	<u>December 31, 2019</u>	<u>\$1,250 per job</u>
30	<u>January 1, 2020, to</u>	

1	<u>December 31, 2020</u>	<u>\$1,250 per job</u>
2	<u>January 1, 2021, to</u>	
3	<u>December 31, 2021</u>	<u>\$1,250 per job</u>
4	<u>January 1, 2022, to</u>	
5	<u>December 31, 2022</u>	<u>\$1,250 per job</u>
6	<u>January 1, 2023, to</u>	
7	<u>December 31, 2023</u>	<u>\$1,250 per job</u>
8	<u>January 1, 2024, to</u>	
9	<u>December 31, 2024</u>	<u>\$1,250 per job</u>
10	<u>January 1, 2025, to</u>	
11	<u>December 31, 2025</u>	<u>\$1,250 per job</u>
12	<u>January 1, 2026, to</u>	
13	<u>December 31, 2026</u>	<u>\$1,250 per job</u>
14	<u>January 1, 2027, to</u>	
15	<u>December 31, 2027</u>	<u>\$1,250 per job</u>
16	<u>January 1, 2028, to</u>	
17	<u>December 31, 2028</u>	<u>\$1,250 per job</u>

18 \* \* \*

19 Section 1309. Expiration.

20 This act and all benefits associated with this act shall  
21 terminate December 31, [2018] 2028.

22 Section 3. This act shall take effect immediately.