

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1237 Session of 2011

INTRODUCED BY PILEGGI, TOMLINSON, BROWNE, ERICKSON, STACK,
 FONTANA, GREENLEAF, FARNESE, RAFFERTY, WAUGH, COSTA, MENSCH,
 BOSCOLA AND SOLOBAY, SEPTEMBER 7, 2011

REFERRED TO FINANCE, SEPTEMBER 7, 2011

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 in keystone opportunity zones, further providing for
 14 additional expansion zones; and providing for extension for
 15 new job creation.

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

18 Section 1. Section 301.4 of the act of October 6, 1998
 19 (P.L.705, No.92), known as the Keystone Opportunity Zone,
 20 Keystone Opportunity Expansion Zone and Keystone Opportunity
 21 Improvement Zone Act, added July 10, 2008 (P.L.1014, No.79), is
 22 amended to read:

23 Section 301.4. Additional keystone opportunity expansion zones.

24 (a) Establishment.--

1 (1) In addition to any designations under section 301.1,
2 the department may designate up to 15 additional keystone
3 opportunity expansion zones in accordance with this section.
4 Each additional keystone opportunity expansion zone shall:

5 (i) Not be less than ten acres in size, unless
6 contiguous to an existing zone.

7 (ii) Not exceed, in the aggregate, a total of 350
8 acres.

9 (iii) Be comprised of parcels that meet any of the
10 following criteria:

11 (A) Are deteriorated, underutilized or
12 unoccupied on the effective date of this clause.

13 (B) Are occupied by a business that:

14 (I) Creates or retains at least 1,400 full-
15 time jobs in this Commonwealth within three years
16 of the designation of the keystone opportunity
17 expansion zone; and

18 (II) Makes a capital investment of at least
19 \$750,000,000 in the additional keystone
20 opportunity enhancement zone within three years
21 of the designation of the keystone opportunity
22 expansion zone.

23 (2) The department shall immediately notify political
24 subdivisions located within the area designated.

25 (b) Authorization.--Persons and businesses within an
26 additional keystone opportunity expansion zone authorized under
27 subsection (a) shall be entitled to all tax exemptions,
28 deductions, abatements or credits set forth under this act,
29 except exemptions for sales and use tax under section 511(a) or
30 705(a), for a period of ten years beginning January 1, 2010, and

1 ending on December 31, 2020. Exemptions for sales and use taxes
2 under sections 511 and 705 shall commence upon designation of
3 the zone by the department.

4 (c) Application.--In order to receive a designation under
5 subsection (a), the department must receive an application from
6 a political subdivision or its designee no later than May 1,
7 2009. The application must contain the information required
8 under section 302(a)(1), (2)(i) and (ix) and (6). The
9 application must include all ordinances, resolutions or other
10 required action adopted by all political subdivisions in which
11 the keystone opportunity expansion zone is located providing the
12 tax exemptions, deductions, abatements and credits authorized
13 under Chapter 7. The department, in consultation with the
14 Department of Revenue, shall review the application and, if
15 approved, issue a certification of all tax exemptions,
16 deductions, abatements or credits under this [part] act for the
17 additional keystone opportunity expansion zone within three
18 months of receipt of the application. The department shall act
19 on an application under this subsection by June 30, 2009.

20 (d) Unused keystone opportunity expansion zones.--

21 (1) The department may designate any of the 15 remaining
22 keystone opportunity expansion zones established under
23 subsection (a) for which there was no designation by the
24 department as of the effective date of this subsection. To
25 receive a designation of a remaining keystone opportunity
26 expansion zone under this subsection, the department must
27 receive an application from a political subdivision or its
28 designee by November 1, 2011. The application must comply
29 with subsection (c) except for the application deadline. The
30 department, in consultation with the Department of Revenue,

1 shall review the application and, if approved, shall issue a
2 certification of all tax exemptions, deductions, abatements
3 or credits under this act for the additional keystone
4 opportunity expansion zone within three months of receipt of
5 the application.

6 (2) Persons and businesses within an additional keystone
7 opportunity expansion zone authorized under paragraph (1)
8 shall be entitled to all tax exemptions, deductions,
9 abatements or credits set forth under this act, except
10 exemptions for sales and use tax under section 511(a) or
11 705(a), for a period of ten years beginning January 1, 2012,
12 and ending December 31, 2022. Exemptions for sales and use
13 taxes under sections 511 and 705 shall commence upon
14 designation of the zone by the department.

15 Section 2. The act is amended by adding a section to read:
16 Section 301.7. Extension for new job creation.

17 (a) Extension.--The department may approve an application to
18 extend the exemptions, deductions, abatements and credits under
19 this act for a parcel in a keystone opportunity zone, keystone
20 opportunity expansion zone or keystone opportunity improvement
21 zone or a subzone for a period of nine years if the extension
22 will result in the creation of at least 200 new jobs.

23 (b) Application.--In order to extend the tax benefits for
24 parcels under subsection (a), the department must receive an
25 application from a political subdivision or its designee by
26 March 1, 2012. The application must contain the information
27 required under section 302(a)(1), (2), (3), (5) and (6). The
28 application must include all ordinances, resolutions or other
29 required action adopted by all political subdivisions in which
30 the parcel is located adopting the extension of all tax

1 exemptions, deductions, abatements and credits authorized under
2 Chapter 7. The department, in consultation with the Department
3 of Revenue, shall review the application and, if approved, issue
4 a certification of all tax exemptions, deductions, abatements or
5 credits under this chapter for the unoccupied parcel within
6 three months of receipt of the application. The certification
7 shall be effective on the day following the expiration date of
8 the existing zone or subzone.

9 (c) Expiration.--All extensions of an unoccupied parcel
10 certified under subsection (a) shall expire no later than nine
11 years following the expiration date of the existing keystone
12 opportunity zone, keystone opportunity expansion zone or
13 keystone opportunity improvement zone.

14 Section 3. This act shall take effect July 1, 2011, or
15 immediately, whichever is later.