

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

SENATOR BRUBAKER, FINANCE, AS AMENDED, OCTOBER 17, 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~~ JUNE 1, 2012. The application
29 must comply with subsection (c) except for the application
30 deadline. The department, in consultation with the Department



1 of Revenue, shall review the application and, if approved,
2 shall issue a certification of all tax exemptions,
3 deductions, abatements or credits under this act for the
4 additional keystone opportunity expansion zone within three
5 months of receipt of 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 2013, and ending December 31, 2022 2023. Exemptions for sales ←
13 and use 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 AN UNOCCUPIED, DETERIORATED OR UNDERUTILIZED ←
20 parcel in a keystone opportunity zone, keystone opportunity
21 expansion zone or keystone opportunity improvement zone or a
22 subzone for a period of nine years if the extension will result
23 in the creation of at least 200 new jobs.

24 (b) Application.--In order to extend the tax benefits for
25 UNOCCUPIED, DETERIORATED OR UNDERUTILIZED parcels under ←
26 subsection (a), the department must receive an application from
27 a political subdivision or its designee by March 1, 2012. The
28 application must contain the information required under section
29 302(a) (1), (2), (3), (5) and (6). The application must include
30 all ordinances, resolutions or other required action adopted by

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

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

16 Section 3. This act shall take effect ~~July 1, 2011, or~~ ←
17 ~~immediately, whichever is later.~~ ←