

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 961 Session of 2024

INTRODUCED BY SANTARSIERO, TARTAGLIONE, KANE, DILLON, HUGHES, HAYWOOD, FONTANA, KEARNEY, COSTA, COLLETT, CAPPELLETTI, STREET, COMITTA, MUTH, SAVAL, L. WILLIAMS, BREWSTER, BOSCOLA, FLYNN AND SCHWANK, JANUARY 11, 2024

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, JANUARY 11, 2024

AN ACT

1 Amending the act of October 6, 1998 (P.L.705, No.92), entitled  
2 "An act providing for the creation of keystone opportunity  
3 zones and keystone opportunity expansion zones to foster  
4 economic opportunities in this Commonwealth, to facilitate  
5 economic development, stimulate industrial, commercial and  
6 residential improvements and prevent physical and  
7 infrastructure deterioration of geographic areas within this  
8 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 preliminary provisions, further providing for definitions;  
14 and, in keystone opportunity zones, further providing for  
15 qualified businesses.

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

18 Section 1. Section 103 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, is amended by adding definitions to read:  
22 Section 103. Definitions.

23 The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the  
2 context clearly indicates otherwise:

3 "Apprenticeship program." An apprenticeship training program  
4 that is approved by and registered with the Department of Labor  
5 and Industry under the act of July 14, 1961 (P.L.604, No.304),  
6 known as The Apprenticeship and Training Act, and that provides  
7 for on-the-job training, classroom training and the graduation  
8 of apprentice trainees to journey person status. The term  
9 includes an apprenticeship program subject to ERISA or a non-  
10 ERISA program.

11 \* \* \*

12 "ERISA program." A program under 29 U.S.C. Ch. 18 (relating  
13 to Employee Retirement Income Security Program).

14 \* \* \*

15 "Skilled craft laborer." A member of a trade who meets any  
16 of the following criteria:

17 (1) The individual is a worker who has work experience  
18 equivalent to the total number of on-the-job training hours  
19 required by the applicable apprenticeship program.

20 (2) The individual graduated from, or is currently  
21 enrolled in, an apprenticeship program.

22 \* \* \*

23 Section 2. Section 307(a) of the act is amended by adding a  
24 paragraph and the section is amended by adding a subsection to  
25 read:

26 Section 307. Qualified businesses.

27 (a) Qualifications.--In order to qualify each year for a tax  
28 exemption, deduction, abatement or credit under this act, a  
29 business shall own or lease real property in a subzone,  
30 improvement subzone or expansion subzone from which the business

1 actively conducts a trade, profession or business. The qualified  
2 business shall receive certification from the department that  
3 the business is located and is in the active conduct of a trade,  
4 profession or business, within the subzone, improvement subzone  
5 or expansion subzone. The business shall obtain annual renewal  
6 of the certification from the department to continue to qualify  
7 under this section. The certification form shall include, but  
8 not be limited to, all of the following:

9 \* \* \*

10 (6) If applicable, the certified payrolls necessary to  
11 verify the requirements under subsection (c) in the manner  
12 customarily used by the United States Department of Labor and  
13 Industry to enforce 40 U.S.C. § 3145(a) (relating to  
14 regulations governing contractors and subcontractors).

15 \* \* \*

16 (c) Capital investments.--

17 (1) A business that makes a capital investment of more  
18 than \$25,000 for the construction, reconstruction,  
19 demolition, alteration or repair of a facility on the parcel  
20 through which the business seeks a tax exemption, deduction,  
21 abatement or credit under this act shall verify with the  
22 department, in the following calendar or fiscal year, all of  
23 the following:

24 (i) That 70% of the individuals employed by the  
25 business in construction, reconstruction, demolition,  
26 alteration or repair of the facility are skilled craft  
27 laborers.

28 (ii) That individuals employed by the business or a  
29 contractor or subcontractor of the business for the  
30 construction, reconstruction, demolition, alteration or

1 repair of the facility have been paid the prevailing  
2 minimum wage rate for each craft or classification as  
3 determined by the Department of Labor and Industry under  
4 the act of August 15, 1961 (P.L.987, No.442), known as  
5 the Pennsylvania Prevailing Wage Act.

6 (2) The Department of Labor and Industry shall enforce  
7 this subsection. The Pennsylvania Prevailing Wage Act, 34 Pa.  
8 Code Ch. 9 Subch. E (relating to prevailing regulations) and  
9 34 Pa. Code §§ 211.1 (relating to applicability of general  
10 rules) and 213.1 (relating to applicability of general rules)  
11 shall apply to any construction, reconstruction, demolition,  
12 alteration or repair of a facility, other than maintenance  
13 work, that occurs due to a business entity making a capital  
14 investment of more than \$25,000 for the construction,  
15 reconstruction, demolition, alteration or repair of that  
16 facility on the parcel through which the business entity  
17 seeks a tax exemption, deduction, abatement or credit under  
18 this act.

19 (3) In addition to enforcement authorized under the  
20 Pennsylvania Prevailing Wage Act, and paragraph (2), if,  
21 after notice and hearing, the Department of Labor and  
22 Industry determines that a business entity intentionally  
23 failed to pay or intentionally caused another person to fail  
24 to pay the prevailing wage or benefit rates as specified  
25 under section 11(h) of the Pennsylvania Prevailing Wage Act  
26 for the construction, reconstruction, demolition, alteration  
27 or repair of a facility in violation of this subsection, or  
28 ratified the intentional failure by a contractor or  
29 subcontractor of the business entity, the business entity  
30 shall refund 100% of the amount of the tax exemption,

1 deduction, abatement or credit awarded under this act for the  
2 fiscal year in which the intentional noncompliance occurred  
3 as determined by the Department of Labor and Industry.

4 (4) A finding of a violation under paragraph (3) may be  
5 appealed under section 2.2(e)(1) of the Pennsylvania  
6 Prevailing Wage Act and 34 Pa. Code § 213.3 (relating to  
7 appeals from determinations of the Secretary). Any final  
8 determination by the Appeals Board under the Pennsylvania  
9 Prevailing Wage Act may be appealed in accordance with 2  
10 Pa.C.S. (relating to administrative law and procedure).

11 Section 3. This act shall take effect in 60 days.