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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2865 Session of  
2020

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INTRODUCED BY RABB, KENYATTA, DeLUCA, KEEFER, McCLINTON, OTTEN,  
MADDEN AND YOUNGBLOOD, SEPTEMBER 17, 2020

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REFERRED TO COMMITTEE ON COMMERCE, SEPTEMBER 17, 2020

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AN ACT

1 Authorizing the Commonwealth of Pennsylvania to join the  
2 Company-Specific Interstate Compact; providing for the form  
3 of the compact; establishing the Company-Specific Tax  
4 Incentives Prohibition Board; and imposing additional powers  
5 and duties on the Governor.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Company-  
10 Specific Interstate Compact.

11 Section 2. Authority to execute compact.

12 The Governor of Pennsylvania, on behalf of this State, is  
13 hereby authorized to execute a compact in substantially the  
14 following form with any one or more of the states of the United  
15 States and the General Assembly hereby signifies in advance its  
16 approval and ratification of such compact:

17 ARTICLE I

18 DEFINITIONS

19 As used in this compact, unless the context clearly indicates

1 otherwise:

2 (a) "Company-specific tax incentive" means any change in the  
3 general tax rate or valuation offered or presented to a specific  
4 company that is not available to other similarly-situated  
5 companies and is part of a special agreement negotiated with an  
6 official of the state government.

7 (b) "Compacting state" means any state which has enacted  
8 this compact legislation and which has not withdrawn or been  
9 terminated.

10 (c) "Board" means the Company-Specific Tax Incentives  
11 Prohibition Board.

12 ARTICLE II

13 COMPANY-SPECIFIC TAX INCENTIVES

14 Each compacting state shall not offer company-specific tax  
15 incentives for companies currently located in or considering  
16 locating in any compacting state, including, but not limited to,  
17 for corporate headquarters, manufacturing facilities, office  
18 space or other real estate developments.

19 ARTICLE III

20 EXCLUSIONS

21 Company-specific tax incentives in effect on the effective  
22 date of this compact shall not be impacted by this compact and  
23 this compact shall not apply retroactively. Any changes to the  
24 terms, including renewals or reenactments, of company-specific  
25 tax incentives in effect on the effective date of this compact  
26 shall be considered new company-specific tax incentives and  
27 shall be prohibited.

28 ARTICLE IV

29 WORKFORCE DEVELOPMENT GRANTS

30 Workforce development grants shall not be subject to this

1 compact agreement because employees receiving the workforce  
2 development are the largest beneficiary.

3 ARTICLE V

4 COMPANY-SPECIFIC TAX INCENTIVES PROHIBITION BOARD

5 For the purpose of administering the provisions of this  
6 compact and to serve as a governing body for the resolution of  
7 all matters relating to the operation of this compact, the  
8 Company-Specific Tax Incentives Prohibition Board is  
9 established.

10 ARTICLE VI

11 COMPOSITION OF BOARD

12 The board shall be composed of the following members:

13 (1) One member appointed by the Governor of each compacting  
14 state.

15 (2) One member appointed by the Majority Leader of the  
16 Senate from each compacting state.

17 (3) One member appointed by the Minority Leader of the  
18 Senate from each compacting state.

19 (4) One member appointed by the Majority Leader of the House  
20 of Representatives from each compacting state.

21 (5) One member appointed by the Minority Leader of the House  
22 of Representatives from each compacting state.

23 ARTICLE VII

24 DUTIES OF BOARD

25 The board shall have the following duties:

26 (1) Elect a chairperson and vice-chairperson from members  
27 of the board each year.

28 (2) Meet at least no less than once a year and be  
29 responsible for collecting testimony from interested parties  
30 including, but not limited to, compacting states, organizations

1 and associations representing state legislators, taxpayers and  
2 subject matter experts on how this compact can be improved and  
3 strengthened.

4 ARTICLE VIII

5 ENTRY INTO COMPACT

6 The Governor of a state seeking to enter into this compact  
7 shall submit an application to the chairperson of the board for  
8 approval by the members of the board. The application must  
9 contain all of the following information:

10 (1) A citation of the legal authority to enter into this  
11 compact.

12 (2) An agreement of compliance with the terms and provisions  
13 of this compact.

14 ARTICLE IX

15 WITHDRAWAL FROM COMPACT

16 A compacting state may withdraw from participating in this  
17 compact by official written notice to each compacting state.  
18 Withdrawal shall become effective within 90 days after the  
19 notice of withdrawal is provided to each compacting state.

20 ARTICLE X

21 TERMINATION

22 If the board determines that a compacting state has at any  
23 time willfully violated any of the terms of this compact after  
24 providing the compacting state with a notice of the violation  
25 and a hearing, the board may terminate the state from the  
26 compact.

27 Section 3. When and how compact becomes operative.

28 (a) General rule.--When the Governor executes the Company-  
29 Specific Interstate Compact on behalf of this State and files a  
30 verified copy thereof with the Secretary of the Commonwealth and

1 when the compact is ratified by one or more other states, then  
2 the compact shall become operative and effective between this  
3 State and such other state or states. The Governor is hereby  
4 authorized and directed to take such action as may be necessary  
5 to complete the exchange of official documents between this  
6 State and any other state ratifying the compact.

7 (b) Notice in Pennsylvania Bulletin.--The Secretary of the  
8 Commonwealth shall transmit a notice to the Legislative  
9 Reference Bureau for publication in the Pennsylvania Bulletin  
10 when the conditions set forth in subsection (a) are satisfied  
11 and shall include in the notice the date on which the compact  
12 became effective and operative between this State and any other  
13 state or states in accordance with this act.

14 Section 4. Compensation and expenses of Company-Specific Tax  
15 Incentives Prohibition Board member.

16 The Company-Specific Tax Incentives Prohibition Board member  
17 who represents this State, as provided for in Article VI of the  
18 Company-Specific Interstate Compact, shall not be entitled to  
19 any additional compensation for the member's duties and  
20 responsibilities as a member, but shall be entitled to  
21 reimbursement for reasonable expenses actually incurred in  
22 connection with member's duties and responsibilities as a  
23 member.

24 Section 5. Effective date.

25 This act shall take effect in 60 days.