



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

March 27, 2020

TO THE HONORABLE HOUSE OF REPRESENTATIVES OF THE
COMMONWEALTH OF PENNSYLVANIA

Pursuant to Article IV, Section 15 of the Pennsylvania Constitution, I am returning herewith, without my approval, House Bill 1100, Printer's Number 3259.

These are unprecedented times as the people of this Commonwealth face the daily realities of the COVID-19 pandemic: realities that require the necessary mitigation measures instituted to protect the life and health of all Pennsylvanians, including the closure of all "non-life sustaining" businesses, the closure of schools, and social distancing. We are all making these difficult sacrifices as our lives, society and economy halt to a near-standstill. I am proud of the way Pennsylvanians have responded to this crisis. We, in government, must follow their lead.

Rather than enacting this bill, which gives a significant tax credit for energy and fertilizer manufacturing projects, we need to work together in a bipartisan manner to promote job creation and to enact financial stimulus packages for the benefit of Pennsylvanians who are hurting as they struggle with the substantial economic fallout of COVID-19.

The petrochemical and natural gas industries play an important part in Pennsylvania's energy- efficient and energy-sustainable future. I am fully supportive of this type of economic development within the Commonwealth. However, we have a duty, as custodians of taxpayer funds, to ensure that taxpayer-funded economic development incentives, like the proposed tax credit, are a responsible use of the Commonwealth's limited resources. Further, the required capital investment from companies and required job creation thresholds that must be met in order to receive the credits must adequately align with the level of economic development incentive. Furthermore, this bill does not guarantee the creation of jobs paying prevailing wages, wages Pennsylvania's workforce deserves when a project receives this level of financial commitment from the Commonwealth. Although the bill requires payment of prevailing wages for facility construction, the requirement is illusory because the critical enforcement and investigative tools provided under the Pennsylvania Prevailing Wage Act are absent from this bill.

I could be supportive of awarding an incentive such as this, but only after a thorough analysis of a proposed project and the inclusion of appropriate enforcement mechanisms to ensure that workers constructing these types of facilities rightfully are paid prevailing wages. While I am always supportive of business development here in the Commonwealth, I am also focused on making sure that we are investing taxpayer money in, projects that protect our workforce, support our communities and provide the financial stimulus needed to stabilize and grow our economy during this time of crisis.

For the reasons set forth above, I must withhold my signature from House Bill 1100, Printer's Number 3259.

Sincerely,

Tom Wolf
Governor