
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1370 Session of
2002

INTRODUCED BY PUNT, D. WHITE, LAVALLE, WAUGH, KUKOVICH, WENGER,
MUSTO, HELFRICK, WOZNIAK, GERLACH, ERICKSON, RHOADES,
LEMOND, BOSCOLA, SCARNATI, STOUT, THOMPSON, C. WILLIAMS AND
ROBBINS, MARCH 22, 2002

SENATE AMENDMENTS TO HOUSE AMENDMENTS, NOVEMBER 25, 2002

AN ACT

1 Amending the act of June 29, 1996 (P.L.434, No.67), entitled, as
2 amended, "An act to enhance job creation and economic
3 development by providing for an annual financing strategy,
4 for opportunity grants, for job creation tax credits, for
5 small business assistance, for the Small Business Advocacy
6 Council, for a family savings program, for industrial
7 development assistance, for community development bank grants
8 and loans and for tax-exempt bond allocation; conferring
9 powers and duties on various administrative agencies and
10 authorities; further providing for various funds; and making
11 repeals," further providing for definitions, for the
12 Pollution Prevention Assistance Account and for eligibility
13 and terms and conditions of loans; providing for job
14 training; ~~and~~ further providing for the power and authority <—
15 for the Pennsylvania Economic Development Financing
16 Authority; RECODIFYING THE MACHINERY AND EQUIPMENT LOAN FUND <—
17 ACT; FURTHER PROVIDING FOR TAX-EXEMPT BOND ALLOCATION AND FOR
18 LOAN ELIGIBILITY; and making a ~~repeal~~ REPEALS. <—

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. The definitions of "capital development project"
22 or "project," "export activity" and "small business enterprises" <—
23 ENTERPRISE" in section 1301 of the act of June 29, 1996 <—
24 (P.L.434, No.67), known as the Job Enhancement Act, amended or

1 added June 24, 1997 (P.L.247, No.23) ~~and November 17, 1998~~ <—
2 ~~(P.L.788, No.100)~~, NOVEMBER 17, 1998 (P.L.788, NO.100), OCTOBER <—
3 2, 2002 (P.L.804, NO.115), AND OCTOBER 2, 2002 (P.L.836,
4 NO.120), are amended and the section is amended by adding
5 definitions to read:
6 Section 1301. Definitions.
7 The following words and phrases when used in this chapter
8 shall have the meanings given to them in this section unless the
9 context clearly indicates otherwise:
10 * * *
11 "Agricultural producer." A person or entity involved in the
12 management and use of A normal agricultural operation for the <—
13 production of a farm commodity.
14 * * *
15 "Capital development project" or "project." Land, buildings,
16 equipment and machinery and working capital which is acquired,
17 constructed, renovated or used by a small business enterprise:
18 (1) As part of a for-profit project or venture not of a
19 mercantile or service-related nature, except for hospitality
20 industry projects and except as otherwise provided in section
21 1303(a.1).
22 (2) To bring a small business enterprise into compliance
23 with Federal or State environmental laws or regulations or to
24 complete an approved remediation project or to permit the
25 small business enterprise to adopt generally acceptable
26 pollution prevention practices.
27 (3) To provide assistance to A small business <—
28 [enterprises that are recyclers] ENTERPRISE WHICH IS A <—
29 RECYCLER of municipal or commercial waste or [that are <—
30 manufacturers] WHICH IS A MANUFACTURER using recycled <—

1 municipal or commercial waste materials.

2 (4) To assist a small business enterprise with defense
3 conversion activities.

4 (5) For the manufacture of products to be exported out
5 of the United States by a small business enterprise as part
6 of a for-profit project or venture not of a mercantile or
7 service-related nature, except for export-related services
8 and international export-related mercantile ventures or
9 advanced technology and computer-related services and
10 mercantile ventures, which will increase this Commonwealth's
11 national or international market shares.

12 (6) As part of a for-profit project or venture that
13 meets the requirements of section 1303(a.1).

14 (7) To assist in the start-up or expansion of a for-
15 profit or not-for-profit child day-care center subject to
16 licensure by the Commonwealth.

17 "Child day-care center." Any premises in which child day
18 care is provided simultaneously for seven or more children who
19 are not related to the provider.

20 * * *

21 "Export activity." An activity undertaken by [an] A SMALL <—
22 BUSINESS enterprise related to exports of goods and services
23 outside of the United States. [The term includes manufacturing,
24 assembling and like operations.]

25 * * *

26 ~~"Small business [enterprises] enterprise."~~ A for profit <—
27 ~~corporation, partnership [or], proprietorship, limited liability~~
28 ~~company or other entity which meets the eligibility requirements~~
29 ~~established by the department. The term shall include, but is~~
30 ~~not limited to, a small business [enterprises] enterprise which:~~

~~(1) is located in a small business incubator~~
~~[facilities, small business enterprises which are] facility;~~
~~(2) is an agricultural [processors and small business~~
~~enterprises which manufacture] processor;~~
~~(3) is an agricultural producer;~~
~~(4) manufactures apparel products[.]; or~~

"SMALL BUSINESS ENTERPRISE." A FOR-PROFIT CORPORATION, <—
PARTNERSHIP, PROPRIETORSHIP, LIMITED LIABILITY COMPANY OR OTHER
ENTITY WHICH MEETS THE ELIGIBILITY REQUIREMENTS ESTABLISHED BY
THE DEPARTMENT. THE TERM SHALL INCLUDE, BUT IS NOT LIMITED TO, A
SMALL BUSINESS ENTERPRISE WHICH:

(1) IS LOCATED IN A SMALL BUSINESS INCUBATOR FACILITY;
(2) IS AN AGRICULTURAL PROCESSOR;
(3) IS AN AGRICULTURAL PRODUCER; [OR]
(4) MANUFACTURES APPAREL PRODUCTS[.]; OR
(5) is a for-profit or not-for-profit child day-care
center subject to licensure by the Commonwealth.

* * *

Section 2. Sections 1302(b.1), 1303(a.1) and (a.2) and
1304(a.1) and (a.2) of the act, amended or added November 17,
1998 (P.L.788, No.100), are amended to read:

Section 1302. Small Business First Fund and Pollution
Prevention Assistance Account.

* * *

(b.1) Pollution Prevention Assistance Account.--There is
hereby created within the Small Business First Fund a Pollution
Prevention Assistance Account to provide revolving loans to
small **[businesses]** BUSINESS ENTERPRISE that employ 100 or fewer <—
individuals[, that operate from a stationary source] and that
adopt or install pollution prevention or energy-efficient

1 equipment or processes. The account shall be administered by the
2 department. All appropriations made for the purposes of this
3 account and all proceeds from loan repayments, including
4 interest, and any and all other deposits, payments and
5 contributions from any other source made available to the
6 department for the purposes of this account shall be deposited
7 into this account.

8 * * *

9 Section 1303. Eligibility for and terms and conditions of
10 loans.

11 * * *

12 (a.1) Loans to small business enterprises in certain
13 areas.--

14 (1) The department may provide loans to small business
15 enterprises located in distressed communities which are in
16 the business-to-public service, mercantile, commercial or
17 point-of-sale retail business sectors in accordance with
18 conditions or criteria established by the department in
19 guidelines adopted for these loans. Loans shall be made in
20 accordance with the provisions of this chapter except that:

21 ~~(i) [Loans~~ [(I) LOANS may be made to mercantile or <—
22 service-related enterprises approved by the department.]

23 (ii) The [provisions of subsection (b) relating to
24 required increases in employment shall not apply to loans
25 made under this subsection] small business enterprise
26 must agree to retain, at a minimum, jobs in existence as
27 of the date of loan application.

28 (iii) The department may authorize flexible
29 repayment terms and an interest rate of not less than 2%.

30 (iv) The department may utilize additional area loan

1 organizations, including community development financial
2 institutions, to receive loan applications and administer
3 loans.

4 (v) The department may use its best judgment to
5 identify and secure collateral.

6 (2) Distressed communities shall include:

7 (i) Any census tract or other specifically defined
8 geographic area in which:

9 (A) there is a median income below 80% of the
10 median income for this Commonwealth or the United
11 States;

12 (B) 20% or more of the population is below the
13 poverty level by family size published by the Bureau
14 of the Census; or

15 (C) there is an unemployment rate 50% higher
16 than the national average.

17 (ii) A Keystone Opportunity Zone.

18 (iii) Any other geographic area designated by the
19 department as distressed. The designation shall be
20 published in the Pennsylvania Bulletin.

21 (3) The department and area loan organization shall not
22 make loans under this subsection on the basis of direct
23 financial return on investment and shall not be held to the
24 loan loss standards of private commercial lenders. Loans
25 shall be for the purpose of establishing a strong economic
26 base and promoting entrepreneurial activity within the
27 distressed community.

28 (4) In order to receive a loan under this subsection, a
29 small business enterprise must demonstrate a direct impact on
30 the community in which it is located, on residents of that

community, or on the local and/or regional economy. The
department shall establish criteria that will assist THE
small business enterprises ENTERPRISE in making this
demonstration.

<—

<—

(a.2) Pollution prevention assistance loans.--The Pollution
Prevention Assistance Account created under section 1302(b.1)
shall provide revolving loans to small [businesses] BUSINESS
ENTERPRISES.

<—

(1) The loans shall be for the purpose of enabling [the
small business] A SMALL BUSINESS ENTERPRISE to adopt or
install pollution prevention equipment or processes to:

<—

<—

(i) Reduce or reuse raw materials onsite.

(ii) Reduce the production of waste.

(iii) Reduce energy consumption.

(2) The Pollution Prevention Assistance Account shall
not invest on the basis of direct financial return and shall
not be held to the loan loss standards of commercial lenders.
Loans shall be for the purpose of reducing pollution through
source reduction technologies or processes.

(3) A loan under this subsection may not exceed the
lesser of:

(i) [\$50,000] \$100,000; or

(ii) 75% of eligible project costs.

(4) Loans under this subsection shall have an interest
rate of 2% per year and a [maximum] repayment term of [seven]
[OF SEVEN] not to exceed ten years.

<—

<—

(5) An industrial resource center receiving funds under
the act of [July 2, 1993 (P.L.439, No.64), known as the Ben
Franklin/IRC Partnership Act] June 22, 2001 (P.L.400, No.31),
known as the Industrial Resources Center Partnership Act, may

utilize the account to provide assistance to a small business enterprise for which a loan application has been made.

(6) Loans under this subsection shall be used to further the goal of pollution prevention through the purchase and installation of equipment to make operational changes and modify production practices.

* * *

Section 1304. Application and administration.

* * *

[(a.1) Distressed communities.--An area loan organization designated to administer loans to distressed communities under section 1303(a.1) shall provide documentation that the small business enterprise is located in a distressed community as required by the department.]

(a.2) Pollution prevention assistance loans.--

(1) Applications for loans from the Pollution Prevention Assistance Account established under section 1302(b.1) shall be on a form prescribed by the department and shall be reviewed under subsection (b)(2). The Department of Environmental Protection shall assist the department and provide technical assistance with application review.

(2) The department, an area loan organization or an industrial resource center may charge fees, costs, service charges, loan commitment fees or other expenses not to exceed [1%] 5% of the loan amount.

* * *

Section 3. Section 1311(e), (g) and (h) of the act, added June 24, 1997 (P.L.247, No.23), are amended and the section is amended by adding a subsection to read:

Section 1311. Export Financing Loan Fund; loans and

1 applications; powers and duties.

2 * * *

3 (e) Conditions.--A loan must comply with all of the
4 following:

5 [(1) Be to a company eligible for a policy.

6 (2) Be guaranteed by the Working Capital Guaranty
7 Program offered by the Ex-Im Bank or be on an export credit
8 sales contract insured by a policy.]

9 (3) Be limited to [companies that have facilities within
10 this Commonwealth which are involved in export activities]
11 the financing of export activities that take place within
12 this Commonwealth.

13 (4) Be based on an export contract that requires payment
14 in United States dollars.

15 [(5) Be for the purpose of financing export activity.]

16 (6) Be limited to companies with 250 or fewer full-time
17 [equivalent] employees.

18 (e.1) Additional conditions.--At the discretion of the
19 department, a loan may also be required to ~~comply with~~ CONTAIN <—
20 one or both of the following conditions:

21 (1) ~~Be to a company~~ THE COMPANY IS eligible for a <—
22 policy.

23 (2) ~~Be~~ THE LOAN IS guaranteed by the Working Capital <—
24 Guaranty Program offered by the Ex-Im Bank or be on an export
25 credit sales contract insured by a policy.

26 * * *

27 (g) Restrictions.--Export Financing Loan Fund assistance
28 shall not exceed \$350,000 for any individual project [or 50% of
29 the eligible project costs, whichever is less]. A loan must not
30 supplant funding which is otherwise available from private

1 sector sources on commercially reasonable terms.

2 (h) Terms.--A loan shall have a term, rate of interest,
3 transaction size and other business conditions that comply with
4 the requirements [of the Ex-Im Bank and any other requirements]
5 of the department.

6 * * *

7 SECTION 3.1. SECTION 2702 OF THE ACT, ADDED NOVEMBER 17, <—
8 1998 (P.L.788, NO.100), IS AMENDED BY ADDING A DEFINITION TO
9 READ:

10 SECTION 2702. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 * * *

15 "FIRST-TIME FARMER." AS DEFINED IN SECTION 147(C)(2)(C) OF
16 THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C.
17 § 147(C)(2)(C)).

18 * * *

19 SECTION 3.2. SECTIONS 2703 AND 2704 OF THE ACT, ADDED
20 NOVEMBER 17, 1998 (P.L.788, NO.100), ARE AMENDED TO READ:
21 SECTION 2703. SELECTION OF PROJECTS.

22 (A) CRITERIA.--IN SELECTING PROJECTS FOR ALLOCATION OF THE
23 TAX-EXEMPT BOND AUTHORITY OF THE COMMONWEALTH, THE DEPARTMENT
24 SHALL ENDEAVOR TO BEST SERVE THE PURPOSES SET FORTH IN SECTION
25 2701 IN ACCORDANCE WITH THE REQUIREMENTS OF THE INTERNAL REVENUE
26 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.). IN SO
27 DOING, THE SECRETARY MAY, AMONG OTHER THINGS, CONSIDER ALL OF
28 THE FOLLOWING:

29 (1) THE NUMBER OF NET NEW JOBS TO BE CREATED AND THE
30 NUMBER OF JOBS TO BE PRESERVED.

1 (2) THE ECONOMIC DISTRESS OF THE COUNTY, MUNICIPALITY OR
2 REGION AS DETERMINED BY ITS EMPLOYMENT.

3 (3) THE GEOGRAPHICAL DIVERSITY WITHIN THIS COMMONWEALTH.

4 (4) THE AMOUNT OF PRIVATE FUNDS TO BE LEVERAGED BY THE
5 TAX-EXEMPT BOND FINANCING.

6 (5) COORDINATION WITH COMMUNITY AND ECONOMIC DEVELOPMENT
7 PLANS OF THE COMMONWEALTH AND ITS COUNTIES, MUNICIPALITIES
8 AND REGIONS.

9 (6) WHETHER THE COMMUNITY HAS BEEN DESIGNATED A FEDERAL
10 DISASTER RELIEF AREA OR THE COMMUNITY'S BUSINESS DISTRICT HAS
11 BEEN SIGNIFICANTLY DAMAGED AS A RESULT OF FIRE OR NATURAL
12 DISASTER.

13 (B) TAX-EXEMPT BOND AUTHORITY SET-ASIDE.--EITHER AT THE
14 BEGINNING OF OR AT ANY TIME DURING THE COURSE OF EACH YEAR, THE
15 DEPARTMENT MAY SET ASIDE SUCH TAX-EXEMPT BOND AUTHORITY AS THE
16 DEPARTMENT, IN CONSULTATION WITH THE SECRETARY OF THE BUDGET,
17 DETERMINES FOR USE DURING THE YEAR FOR THE VARIOUS CATEGORIES OF
18 TAX-EXEMPT BONDS SUCH AS MANUFACTURING FACILITIES, ENTERPRISE
19 ZONE FACILITIES, EXEMPT FACILITIES, MORTGAGE REVENUE BONDS,
20 STUDENT LOAN BONDS, FIRST-TIME FARMERS AND REDEVELOPMENT BONDS.
21 SECTION 2704. ALLOCATION.

22 (A) APPLICATION BY AGENCY.--AN AGENCY MAY APPLY TO THE
23 DEPARTMENT FOR AN ALLOCATION FOR A PROJECT TO BE UNDERTAKEN BY
24 THE AGENCY CONSISTENT WITH THE PURPOSES SET FORTH IN SECTION
25 2701. THE DEPARTMENT, IN CONSULTATION WITH THE AGENCY AND THE
26 SECRETARY OF THE BUDGET, SHALL DETERMINE WHAT PORTION OF AN
27 ALLOCATION REQUEST THE AGENCY WILL RECEIVE AND MAY ESTABLISH
28 DEADLINES FOR THE USE OF THE ALLOCATION. A DECISION ON THE
29 APPLICATION SHALL BE PROVIDED BY THE DEPARTMENT WITHIN 30 DAYS
30 FROM THE DATE THAT THE APPLICATION FOR AN ALLOCATION IS MADE TO

1 THE DEPARTMENT. NOTHING IN THIS CHAPTER SHALL PREVENT AN AGENCY
2 FROM APPLYING FOR ADDITIONAL ALLOCATIONS FOR PROJECTS THROUGHOUT
3 THE YEAR. NOTHING IN THIS CHAPTER SHALL AFFECT THE RIGHTS OF
4 CONSTITUTIONAL HOME RULE CITIES TO RECEIVE ALLOCATIONS UNDER
5 SECTION 146(E)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC
6 LAW 99-514, 26 U.S.C. § 146(E)(3)).

7 (B) APPLICATION BY QUALIFIED LOCAL ISSUERS.--A QUALIFIED
8 LOCAL ISSUER MAY APPLY TO THE DEPARTMENT FOR AN ALLOCATION FOR A
9 PROJECT CONSISTENT WITH PURPOSES SET FORTH IN SECTION 2701 WITH
10 RESPECT TO WHICH THE QUALIFIED LOCAL ISSUERS ARE AUTHORIZED BY
11 THE LAWS OF THE COMMONWEALTH TO ISSUE A TAX-EXEMPT BOND. [A]
12 EXCEPT AS SET FORTH IN SUBSECTION (D.1), A QUALIFIED LOCAL
13 ISSUER SHALL APPLY DIRECTLY TO THE DEPARTMENT, AND THE
14 DEPARTMENT SHALL DETERMINE WHAT PORTION OF AN ALLOCATION REQUEST
15 A [PARTICULAR AUTHORITY ORGANIZED BY A COUNTY OR OTHER POLITICAL
16 SUBDIVISION] QUALIFIED LOCAL ISSUER WILL RECEIVE.

17 (C) RECAPTURE OF UNUSED ALLOCATION.--A PORTION OF AN
18 ALLOCATION PROVIDED UNDER SUBSECTION (A) [OR], (B) OR (D.1)
19 WHICH IS NOT USED BEFORE THE EARLIER OF THE END OF THE CALENDAR
20 YEAR OR THE DEADLINE SET BY THE DEPARTMENT UNDER SUBSECTION (A),
21 INCLUDING AN EXTENSION BY THE DEPARTMENT, SHALL BE RECAPTURED
22 FOR REALLOCATION BY THE DEPARTMENT IN CONSULTATION WITH THE
23 SECRETARY OF THE BUDGET.

24 (D) ALLOCATIONS TO PENNSYLVANIA HOUSING FINANCE AGENCY.--AS
25 PROVIDED BY SECTION 501-A.1 OF THE ACT OF DECEMBER 3, 1959
26 (P.L.1688, NO.621), KNOWN AS THE HOUSING FINANCE AGENCY LAW, AN
27 ALLOCATION FOR A MORTGAGE REVENUE BOND SHALL ONLY BE MADE BY THE
28 DEPARTMENT TO THE PENNSYLVANIA HOUSING FINANCE AGENCY, WHICH MAY
29 REALLOCATE A MORTGAGE REVENUE BOND UNDER THE HOUSING FINANCE
30 AGENCY LAW. THE DEPARTMENT MAY MAKE AN ALLOCATION FOR A

1 QUALIFIED MULTIFAMILY RESIDENTIAL FACILITY TO THE PENNSYLVANIA
2 HOUSING FINANCE AGENCY, THE PENNSYLVANIA ECONOMIC DEVELOPMENT
3 FINANCING AUTHORITY OR A QUALIFIED LOCAL ISSUER. AN ALLOCATION
4 FOR A QUALIFIED MULTIFAMILY RESIDENTIAL FACILITY MADE TO THE
5 PENNSYLVANIA HOUSING FINANCE AGENCY MAY BE REALLOCATED IN WHOLE
6 OR IN PART BY THE PENNSYLVANIA HOUSING FINANCE AGENCY TO A
7 QUALIFIED LOCAL ISSUER.

8 (D.1) FIRST-TIME FARMERS.--AN ALLOCATION FOR FIRST-TIME
9 FARMER PROJECTS SHALL BE MADE BY THE DEPARTMENT TO THE
10 DEPARTMENT OF AGRICULTURE, WHICH MAY REALLOCATE TO QUALIFIED
11 LOCAL ISSUERS. A QUALIFIED LOCAL ISSUER MUST APPLY DIRECTLY TO
12 THE DEPARTMENT OF AGRICULTURE, AND THE DEPARTMENT OF AGRICULTURE
13 SHALL DETERMINE WHAT PORTION OF AN ALLOCATION REQUEST A
14 QUALIFIED LOCAL ISSUER SHALL RECEIVE. THE DEPARTMENT OF
15 AGRICULTURE HAS THE AUTHORITY TO ESTABLISH BY REGULATION THE
16 CRITERIA UNDER WHICH A QUALIFIED LOCAL ISSUER MAY RECEIVE
17 ALLOCATION FOR A FIRST-TIME FARMER PROJECT. THE CRITERIA MUST BE
18 CONSISTENT WITH FEDERAL LAW. BY JUNE 30 AND DECEMBER 31 OF EACH
19 YEAR, THE DEPARTMENT OF AGRICULTURE SHALL PROVIDE INFORMATION TO
20 THE DEPARTMENT ON ALLOCATIONS PROVIDED TO QUALIFIED LOCAL
21 ISSUERS FOR FIRST-TIME FARMER PROJECTS, CONSISTENT WITH THE
22 INFORMATION SET FORTH IN SECTION 2706(A)(2).

23 (E) CARRYFORWARD OF UNUSED AUTHORITY.--THE DEPARTMENT SHALL
24 PROVIDE FOR THE CARRYFORWARD OF ANY UNUSED TAX-EXEMPT BOND
25 AUTHORITY AT THE CLOSE OF A YEAR IN A MANNER THE DEPARTMENT
26 DETERMINES WILL BEST PRESERVE THE ABILITY TO USE THE ALLOCATION
27 TO CARRY OUT THE PURPOSES OF THIS CHAPTER. IN PROVIDING FOR THE
28 CARRYFORWARD, THERE SHALL BE A PRESUMPTION THAT ABILITY TO CARRY
29 OUT THE PURPOSES OF THIS CHAPTER WILL BE BEST MAINTAINED IF
30 CARRYFORWARDS OF UNUSED TAX-EXEMPT BOND AUTHORITY ARE RESERVED

1 FOR AGENCIES.

2 Section 4. The act is amended by adding a ~~chapter~~ CHAPTERS <—
3 to read:

4 CHAPTER 29

5 CUSTOMIZED JOB TRAINING PROGRAM

6 Section 2901. Definitions.

7 The following words and phrases when used in this chapter
8 shall have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "Applicant." Any of the following:

11 (1) A local education agency.

12 (2) An industrial resource center.

13 (3) An economic development organization.

14 (4) A greenhouse.

15 (5) A PRIVATE COMPANY. <—

16 ~~(5)~~ (6) A local work force investment board. <—

17 "Capital investment." An expenditure for land, buildings,
18 renovations, machinery and equipment which is directly related
19 to the need for the proposed training.

20 "Economic development organization." An entity certified by
21 the department. The term includes "area loan organizations" and
22 "industrial development corporations" as defined in section
23 2301.

24 "Educational institution." Any of the following:

25 (1) Area vocational-technical schools.

26 (2) Community and junior colleges.

27 (3) Intermediate units.

28 (4) Licensed private/proprietary business and trade
29 schools.

30 (5) Public school districts.

1 (6) State or private colleges or universities.

2 "Greenhouse." A nonprofit organization recognized under
3 section 501(c)(3) of the Internal Revenue Code of 1986 (Public
4 Law 99-514, 26 U.S.C. § 501(c)(3)) which is formed for the
5 express purpose of creating university/business partnerships to
6 advance science and technology and to support economic and work
7 force development.

8 "Industrial resource center." An industrial resource center
9 as defined in the act of June 22, 2001 (P.L.400, No.31), known
10 as the Industrial Resources Center Partnership Act.

11 "Labor organization." An organization, agency or employee
12 representation committee or plan in which employees participate
13 and which exists for the purpose, in whole or in part, of
14 dealing with disputes between an employer and its employees
15 involving grievances, labor disputes, wages, rates of pay, hours
16 of employment or conditions of work. The term does not include
17 an organization, agency, committee or plan which practices
18 discrimination in membership because of race, color, creed,
19 national origin, sex or political affiliation.

20 "Local education agency." An educational institution located
21 in the Commonwealth and certified by the Department of
22 Education.

23 "Local work force investment board." An entity recommended
24 for certification by the Pennsylvania Workforce Investment Board
25 and certified by the Governor in accordance with the act of
26 December 18, 2001 (P.L.949, No.114), known as the Workforce
27 Development Act.

28 "Private company." A business, professional service company
29 or other enterprise. The term may include a group of two or more
30 private companies operating as a consortium in order to take

1 advantage of a common training program. The term shall not
2 include point-of-sale retail businesses.

3 "Program." The Customized Job Training Program established
4 in section 2902 UNDER THIS CHAPTER. <—

5 "Trainee." An individual who is an employee or prospective
6 employee and is enrolled in an eligible training program which
7 is designed to enable the individual to obtain or retain
8 employment.

9 "Training program." A systematic program which is designed
10 to provide a trainee with the skills and knowledge necessary to
11 meet a private company's or labor organization's specifications
12 for an occupation or trade, the successful completion of which
13 results in one of the following:

14 (1) The trainee being employed or continuing to be
15 employed full time by that private company.

16 (2) A trainee receiving instruction or training related
17 to an occupation with a shortage of skilled workers or a
18 targeted industry cluster as referred in section 2905(3)(i).

19 The ~~programs~~ PROGRAM may involve instruction within a local <—
20 education agency, within a private company ~~plant~~ or on-the-job <—
21 training, within a training program of a labor organization,
22 through technology-based instruction or any combination thereof.

23 Section 2902. Program.

24 (a) Program continuation.--The customized job training
25 program within the department is continued and reestablished.
26 Funds appropriated to the department for the program shall be
27 used to provide grants for training programs.

28 (b) Department responsibilities.--The department shall do
29 all of the following:

30 (1) Administer the program.

1 (2) Review, approve and award grants to applicants in
2 accordance with sections 2904 and 2905.

3 (3) Enter into one or more partnerships with one or more
4 local education agencies or other training providers in
5 accordance with section 2907.

6 (4) Establish, at the beginning of each fiscal year, a
7 reserve not to exceed 25% of the funds appropriated to the
8 department for the program for the use of small business
9 applicants. Any uncommitted funds in the reserve after March
10 1 of any fiscal year may be made available to any applicant.

11 (5) Establish a private matching fund requirement for
12 applicants. The department shall establish the private
13 matching fund requirement for ~~recipients~~ APPLICANTS which are <—
14 private companies or labor organizations at not less than 25%
15 of the total eligible training project cost. The department
16 may establish different matching fund requirements for A <—
17 ~~small businesses and labor organizations.~~ BUSINESS <—
18 ENTERPRISE, AS DEFINED IN SECTION 1301, AND A LABOR
19 ORGANIZATION.

20 Section 2903. Applications.

21 (a) Provisions of application.--An applicant may submit an
22 application to the department for a grant to fund a training
23 program in accordance with the following:

24 (1) If an application is submitted by an industrial
25 resource center or economic development organization, the
26 industrial resource center or economic development
27 organization may apply for a grant on behalf of a private
28 company, greenhouse or labor organization. An economic
29 development organization may not serve as the direct training
30 provider of the trainees.

1 (2) If an application is submitted by a local work force
2 investment board, the local work force investment board may
3 apply for a grant only on behalf of projects which promote
4 local education agency and private company partnerships or
5 private company and private company partnerships.

6 (3) IF AN APPLICATION TO TRAIN ENTRY-LEVEL EMPLOYEES IS <—
7 SUBMITTED BY OR ON BEHALF OF A PRIVATE COMPANY, THE APPLICANT
8 SHALL DEMONSTRATE THAT THE PRIVATE COMPANY HAS CONTACTED THE
9 LOCAL WORK FORCE INVESTMENT BOARD AND THE LOCAL COUNTY BOARD
10 OF ASSISTANCE TO SOLICIT REFERRALS OF CANDIDATES FOR THE
11 TRAINING PROGRAM.

12 ~~(3)~~ (4) If an application is submitted by any other <—
13 person, the application shall satisfy any requirements
14 established by the department.

15 (b) Requirements of application.--An application shall:

16 (1) Demonstrate that the applicant considered other
17 available resources, including private sector funds, other
18 State or local agency training programs or funds made
19 available under the Workforce Investment Act of 1998 (Public
20 Law 105-200, 112 Stat. 936), or such other Federal programs
21 which provide funds for employment training.

22 (2) Contain a description of the proposed training or
23 instructional program to be carried out.

24 (3) Disclose if an applicant intends to contract with
25 other organizations or individuals for the provision of all
26 or a portion of the services to be provided and if disclosed,
27 a request to allocate a portion of the grant from the
28 applicant to the subcontractor.

29 (4) Include a written commitment from the applicant to
30 invest private matching funds in the training project.

1 Section 2904. Review of applications.

2 The department shall review an application and may request
3 from the applicant and its training provider such additional
4 information and records as it deems necessary to carry out its
5 responsibilities under this chapter.

6 Section 2905. Approval of applications and award of grants.

7 The department may approve and award grants to applicants in
8 accordance with all of the following:

9 (1) The department must find that the applicant has
10 satisfied the applicable matching fund requirement and that
11 the grant will be used by the applicant to provide training
12 or instruction only to Commonwealth residents.

13 (2) The department must find that the grant will result
14 in any of the following objectives:

15 (i) The location or expansion of a private company
16 or greenhouse within this Commonwealth with the creation
17 of jobs paying competitive wages and the private company
18 or greenhouse making capital expenditures.

19 (ii) The expansion or upgrade of existing jobs which
20 result in increased wages for the jobs.

21 (iii) The retention of jobs in this Commonwealth
22 which would otherwise be lost.

23 (iv) The promotion of local education agency and
24 private company partnerships and private company and
25 private company partnerships if a direct connection
26 between the development of skills and subsequent
27 employment by one or more private companies can be
28 demonstrated.

29 (v) The promotion of efforts by a labor organization
30 to upgrade the skills of its members.

1 (3) The department shall give priority to those
2 applications which have any of the following characteristics:

3 (i) The application would establish a training
4 program determined by the department to be in a growth
5 industry vital to this Commonwealth's competitiveness.
6 These industries include: agribusiness, advanced
7 manufacturing, advanced materials, life sciences,
8 biotechnology and health care, environmental technology
9 and information technology.

10 (ii) The application is submitted on behalf of a
11 private company or labor organization and, WHICH is
12 located:

<—

13 (A) in a municipality in which the average
14 unemployment rate in the most recently completed
15 calendar year is above the Statewide average
16 unemployment rate for the same period;

17 (B) in a State-designated enterprise zone; or

18 (C) in a municipality or region which has
19 suffered a significant loss of jobs due to one or
20 more major plant closings, layoffs or natural or man-
21 made disaster.

22 (iii) The application is submitted BY OR on behalf
23 of a private company which plans to create 50 or more
24 jobs and which is making a capital investment of at least
25 \$1,000,000.

<—

26 (4) The department may determine that the grant will be
27 used by the applicant to reimburse the cost of training.
28 Costs may include instructional costs, costs of instructional
29 or training material or software, costs associated with
30 tuition reimbursement and reasonable administrative costs as

determined by the department.

Section 2906. Limitations.

(a) Department.--The department may not do any of the following:

(1) Award grants under this chapter which in the aggregate exceed the amount of the annual appropriations to the department for the program.

(2) Award more than 10% of the funds appropriated to the program in any one fiscal year to any one PRIVATE COMPANY, greenhouse or labor organization including any affiliates thereof.

(3) Award a grant TO OR on behalf of any private company or labor organization including any affiliates thereof, for more than two successive fiscal years and for no more than three out of every five fiscal years.

(b) Recipients.--A recipient of a grant may not do any of the following:

(1) Use a grant to do any of the following:

(i) Pay wages of trainees during training.

(ii) Pay any costs associated with building construction or renovation or the acquisition, upgrade or installation of equipment or machinery including computer equipment.

(2) Use a grant to reduce the work force or displace workers of a private company prior to the commencement of a training program except because the introduction of new manufacturing techniques, technology and modernization may lead to short-term reductions in a private company's work force. The secretary may waive this grant limitation if the long-term economic benefits to be gained by the private

1 company significantly exceed the short-term detriment to its
2 work force.

3 (3) Use a grant to violate any conditions of an existing
4 collective bargaining agreement.

5 (4) Use a grant for point-of-sale retail job training.

6 Section 2907. Partnerships.

7 If the department determines that a training program is more
8 effectively delivered through a partnership, the department may
9 enter into partnership agreements with one or more local
10 education agencies or other training providers to provide the
11 training program. The training programs shall consist of basic
12 and entry-level skills, technology skill training, training
13 related to job retention or other specified training assistance.

14 Under a partnership arrangement, the department may limit the
15 number and category of applicants which may submit applications
16 for assistance and may establish minimal standards and
17 requirements for project eligibility. These requirements may be
18 separate and distinct from the requirements established under
19 this chapter except that the provision of section 2906 shall
20 apply to all training programs funded under this chapter.

21 Section 2908. Compliance with statutes and collective
22 bargaining agreements.

23 The department shall require each person receiving a grant
24 under this chapter to comply with applicable Federal and State
25 statutes governing employment discrimination, minority
26 recruitment, minimum or prevailing wages, work site safety and
27 procurement practices. The department shall require each private
28 company receiving assistance A GRANT under this chapter to
29 certify that its training program does not abridge any
30 contractual agreement between the private company and the

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1 collective bargaining representative of its employees.

2 Section 2909. Penalties and investigations.

3 (a) Private company.--Unless the department determines that
4 a private company's failure is due to circumstances outside the
5 control of the private company, the private company shall be
6 liable to repay all or part of the amount of a grant utilized <—
7 AWARDED under this chapter if the private company does any of <—
8 the following:

9 (1) Fails to create the number of jobs specified in its
10 agreement with or commitment to the department.

11 (2) Fails to make the amount of capital investment
12 specified in the application to the department.

13 (3) Fails to substantially carry out the training
14 program approved by the department.

15 (b) Applicants.--An applicant or subcontractor that fails to
16 provide for or to perform a training program approved by the
17 department may be required to repay to the department any funds
18 it received under a grant awarded by the department.

19 (c) Investigation.--Upon receiving any complaint from a
20 private company, greenhouse, labor organization or trainee as to
21 the inadequacy of training received, the department may initiate
22 an investigation and take appropriate action, including the
23 recovery of grant funds expended.

24 CHAPTER 30 <—

25 MACHINERY AND EQUIPMENT LOAN FUND

26 SECTION 3001. SCOPE.

27 THIS CHAPTER DEALS WITH THE MACHINERY AND EQUIPMENT LOAN
28 FUND.

29 SECTION 3002. DEFINITIONS.

30 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER

1 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
2 CONTEXT CLEARLY INDICATES OTHERWISE:

3 "BUSINESS ENTERPRISE." A FOR-PROFIT CORPORATION, PARTNERSHIP
4 OR PROPRIETORSHIP.

5 "FARM COMMODITY." ANY PENNSYLVANIA-GROWN AGRICULTURAL,
6 HORTICULTURAL, AQUACULTURAL, VEGETABLE, FRUIT AND FLORICULTURAL
7 PRODUCT OF THE SOIL, LIVESTOCK AND MEATS, WOOLS, HIDES, FURS,
8 POULTRY, EGGS, DAIRY PRODUCTS, NUTS, MUSHROOMS, HONEY PRODUCTS
9 AND FOREST PRODUCTS.

10 "FUND." THE MACHINERY AND EQUIPMENT LOAN FUND CREATED AND
11 ESTABLISHED BY THIS CHAPTER.

12 "NORMAL AGRICULTURAL OPERATION." THE TERM SHALL HAVE THE
13 SAME MEANING AS GIVEN TO IT IN SECTION 2 OF THE ACT OF JUNE 10,
14 1982 (P.L.454, NO.133), ENTITLED "AN ACT PROTECTING AGRICULTURAL
15 OPERATIONS FROM NUISANCE SUITS AND ORDINANCES UNDER CERTAIN
16 CIRCUMSTANCES."

17 "PRODUCTION AGRICULTURE." THE MANAGEMENT AND USE OF A NORMAL
18 AGRICULTURAL OPERATION FOR THE PRODUCTION OF A FARM COMMODITY.
19 SECTION 3003. MACHINERY AND EQUIPMENT LOAN FUND.

20 (A) CREATION.--THERE IS HEREBY CREATED A SPECIAL ACCOUNT IN
21 THE TREASURY DEPARTMENT, TO BE KNOWN AS THE MACHINERY AND
22 EQUIPMENT LOAN FUND, TO WHICH SHALL BE CREDITED ALL PROGRAM
23 APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY, ALL PROCEEDS FROM
24 LOAN REPAYMENTS, AND ANY AND ALL OTHER DEPOSITS, PAYMENTS OR
25 CONTRIBUTIONS FROM ANY OTHER SOURCE MADE AVAILABLE TO THE FUND.
26 THE FUND SHALL OPERATE AS A REVOLVING FUND WHEREBY ALL
27 APPROPRIATIONS, PAYMENTS AND INTEREST MADE THERETO MAY BE
28 APPLIED AND REAPPLIED TO THE PURPOSES OF THIS CHAPTER.

29 (B) CREDITS TO FUND.--ALL APPROPRIATIONS, DEPOSITS AND
30 CONTRIBUTIONS MADE TO THE FUND SHALL BE IMMEDIATELY CREDITED IN

FULL TO THE FUND, AND EARNINGS ON THE MONEYS HELD IN THE FUND
SHALL ALSO BE CREDITED TO THE FUND FOR THE PURPOSES OF THIS
CHAPTER.

SECTION 3004. ELIGIBILITY FOR LOANS; TERMS AND CONDITIONS.

(A) LOANS; GENERAL RULES.--THE SECRETARY SHALL MAKE ADVANCES
FROM THE FUND, SUBJECT TO THE TERMS, CONDITIONS AND RESTRICTIONS
PROVIDED UNDER THIS CHAPTER, FOR THE PURPOSE OF MAKING LOANS TO
BUSINESS ENTERPRISES INVOLVED IN INDUSTRIAL PROCESSES, MINING,
MANUFACTURING, PRODUCTION AGRICULTURE OR OTHER INDUSTRIAL
SECTORS, AS DEFINED BY THE DEPARTMENT, TO ACQUIRE AND INSTALL
NEW MACHINERY AND EQUIPMENT OR UPGRADE EXISTING MACHINERY AND
EQUIPMENT. ALL LOANS SHALL BE SUBJECT TO THE FOLLOWING
CONDITIONS:

(1) BE FOR ELIGIBLE FIRMS UNDER THE PROVISIONS OF THIS
CHAPTER.

(2) HAVE A MAXIMUM LOAN CEILING OF \$500,000 OR 50% OF
THE COST OF THE PROJECT, WHICHEVER IS LESS.

(3) BE LIMITED TO THE PURCHASE AND INSTALLATION OF NEW
EQUIPMENT AND MACHINERY OR THE UPGRADE OF EXISTING MACHINERY
AND EQUIPMENT.

(4) EXCEPT FOR LOANS MADE TO BUSINESS ENTERPRISES
INVOLVED IN PRODUCTION AGRICULTURE, BE LIMITED TO PROJECTS
THAT DEMONSTRATE THE CREATION OR RETENTION OF ONE JOB FOR
EVERY \$25,000 RECEIVED FROM THE FUND.

(5) HAVE AN INTEREST RATE WHICH SHALL BE ESTABLISHED BY
THE SECRETARY BASED UPON THE CURRENT AND LONGER TERM
UNEMPLOYMENT LEVELS OF THE REGION OF THIS COMMONWEALTH WITHIN
WHICH THE PROJECT IS LOCATED.

(6) HAVE A TERM OF NOT IN EXCESS OF TEN YEARS OR THE
USEFUL LIFE OF THE MACHINERY OR EQUIPMENT PURCHASED OR

1 UPGRADED, WHICHEVER IS LESS.

2 (B) RESTRICTIONS.--NO LOANS SHALL BE MADE THAT DO ANY OF THE
3 FOLLOWING:

4 (1) CAUSE, AID OR ASSIST IN, DIRECTLY OR INDIRECTLY, THE
5 RELOCATION OF ANY BUSINESS OPERATION FROM ONE PART OF THIS
6 COMMONWEALTH TO ANOTHER, UNLESS THERE IS AT LEAST A 25%
7 INCREASE IN NET EMPLOYMENT.

8 (2) SUPPLANT FUNDING THAT IS OTHERWISE AVAILABLE
9 EXPEDITIOUSLY FROM PRIVATE SECTOR SOURCES ON COMMERCIALY
10 REASONABLE TERMS.

11 (3) BE FOR THE PURPOSE OF REFINANCING ANY PORTION OF THE
12 TOTAL PROJECT COST OR OTHER EXISTING LOANS OR DEBT.

13 (4) BE FOR THE PURPOSE OF FINANCING PROJECTS LOCATED
14 OUTSIDE THE GEOGRAPHIC BOUNDARIES OF THIS COMMONWEALTH.

15 (5) BE FOR THE PURPOSE OF PAYING OFF A CREDITOR THAT IS
16 INADEQUATELY SECURED AND IS IN A POSITION TO SUSTAIN A LOSS.

17 (6) BE FOR THE PURPOSE OF REPAYING A DEBT OWED TO A
18 SMALL BUSINESS INVESTMENT COMPANY.

19 (7) PROVIDE FUNDS FOR SPECULATION IN ANY KIND OF
20 PROPERTY, REAL OR PERSONAL, TANGIBLE OR INTANGIBLE.

21 (C) SECURITY.--ALL LOANS SHALL BE SECURED BY LIENS ON THE
22 EQUIPMENT PURCHASED AND OTHER SUFFICIENT COLLATERAL AS
23 DETERMINED BY THE SECRETARY.

24 SECTION 3005. APPLICATION AND ADMINISTRATION.

25 (A) PROCEDURES.--APPLICATION AND ADMINISTRATION PROCEDURES
26 FOR FUND LOANS SHALL BE ESTABLISHED BY THE SECRETARY.

27 (B) RECEIPT.--THE SECRETARY SHALL RECEIVE APPLICATIONS FROM
28 ELIGIBLE FIRMS FOR MACHINERY AND EQUIPMENT LOANS. APPLICATIONS
29 SHALL BE MADE TO THE SECRETARY IN THE FORM AND MANNER AS THE
30 DEPARTMENT MAY REQUIRE.

1 (C) INVESTIGATION.--UPON RECEIPT OF THE APPLICATION, THE
2 SECRETARY SHALL INVESTIGATE AND REVIEW THE APPLICATION AND
3 EITHER APPROVE OR DISAPPROVE THE LOAN APPLICATION BY PROPER
4 ACTION OF THE DEPARTMENT. THE DECISION OF THE SECRETARY SHALL BE
5 BASED, IN WHOLE OR IN PART, UPON THE FOLLOWING CRITERIA:

6 (1) ABILITY OF THE APPLICANT TO MEET AND SATISFY ALL
7 DEBT SERVICE AS IT BECOMES DUE AND PAYABLE.

8 (2) SUFFICIENCY OF AVAILABLE COLLATERAL, INCLUDING
9 SATISFACTORY LIEN POSITIONS ON REAL AND PERSONAL PROPERTY.

10 (3) ELIGIBILITY OF THE APPLICANT AS A BUSINESS
11 ENTERPRISE INVOLVED IN INDUSTRIAL PROCESSES, MANUFACTURING,
12 MINING, PRODUCTION AGRICULTURE OR OTHER INDUSTRIAL SECTORS AS
13 DEFINED BY THE SECRETARY.

14 (4) SUFFICIENT EVIDENCE THAT FUNDS SHALL BE USED ONLY TO
15 ACQUIRE AND INSTALL NEW EQUIPMENT AND MACHINERY OR UPGRADE
16 EXISTING EQUIPMENT AND MACHINERY.

17 (5) CAPITAL NEED OF THE APPLICANT.

18 (6) CONFORMITY OF THE PROJECT TO THE PROVISIONS OF THIS
19 CHAPTER.

20 (7) RELEVANT CRIMINAL AND CREDIT HISTORY AND RATINGS OF
21 APPLICANT AS DETERMINED FROM OUTSIDE CREDIT REPORTING
22 SERVICES AND OTHER SOURCES.

23 (8) NUMBER OF NET EMPLOYMENT OPPORTUNITIES CREATED AND
24 RETAINED BY THE PROPOSED PROJECT.

25 (9) SUPPORTING EVIDENCE THAT LOAN PROJECT WILL INCREASE
26 THE FIRM'S COMPETITIVENESS AND VALUE ADDED WITHIN ITS
27 RESPECTIVE INDUSTRY.

28 (10) EXPLANATION OF HOW LOAN WILL AID THE COMMONWEALTH
29 IN ITS EFFORTS TO ASSIST BUSINESS ENTERPRISES TO INCREASE
30 THEIR PRODUCTIVITY AND IMPROVE THE FUTURE COMPETITIVE

1 POSITION OF THIS COMMONWEALTH'S INDUSTRIES.

2 (11) COMPLIANCE WITH THE LOAN AMOUNT LIMITATIONS
3 PROVIDED FOR MACHINERY AND EQUIPMENT LOANS.

4 (12) PAYMENT TO DATE OF ALL TAX OBLIGATIONS DUE AND
5 OWING TO THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION
6 THEREOF.

7 (13) CONFORMITY OF ALL ASPECTS OF THE LOAN TRANSACTION
8 WITH THE SUBSTANTIVE AND PROCEDURAL PROVISIONS OF THIS
9 CHAPTER AND REGULATIONS PROMULGATED HEREUNDER.

10 (14) SUCH INFORMATION AND DOCUMENTATION AS THE SECRETARY
11 SHALL REQUIRE.

12 (D) NOTIFICATION.--THE SECRETARY SHALL NOTIFY THE APPLICANT
13 OF FINAL APPROVAL OR DISAPPROVAL OF THE LOAN APPLICATION WITHIN
14 A REASONABLE PERIOD OF TIME FOLLOWING THE RECEIPT OF THE
15 APPLICATION. IN THE CASE OF APPROVAL OF A LOAN APPLICATION, THE
16 SECRETARY SHALL ARRANGE TO DRAW THE LOAN AMOUNT FROM THE FUND
17 AND ADVANCE THE SUM TO THE RECIPIENT. THE ADVANCE SHALL BE MADE
18 AVAILABLE IN THE FORM OF A LOAN TRANSACTION, WHICH LOAN SHALL BE
19 EVIDENCED BY A NOTE EXECUTED BY THE RECIPIENT AND SECURED IN A
20 MANNER AS THE SECRETARY SHALL REQUIRE IN CONFORMITY IN ALL
21 RESPECTS TO THE LOAN AS APPROVED BY THE SECRETARY.

22 (E) POLICY REQUIREMENTS AND REPORT.--ALL LOANS SHALL BE
23 ADMINISTERED AND MONITORED BY THE DEPARTMENT IN ACCORDANCE WITH
24 THE POLICIES AND PROCEDURES PRESCRIBED BY THE SECRETARY. ON OR
25 BEFORE JUNE 30 EACH YEAR, THE SECRETARY SHALL PREPARE A REPORT
26 THAT INCLUDES THE FOLLOWING:

27 (1) EACH OUTSTANDING LOAN.

28 (2) THE DATE OF APPROVAL.

29 (3) THE ORIGINAL PRINCIPAL BALANCE.

30 (4) THE CURRENT PRINCIPAL BALANCE.

1 (5) THE INTEREST RATE.

2 (6) THE PURPOSE FOR WHICH THE LOAN WAS MADE.

3 (7) AN ENUMERATION OF ANY PROBLEMS OR ISSUES WHICH HAVE
4 ARISEN WITH REGARD TO EACH LOAN.

5 (8) A STATEMENT REGARDING THE PROGRESS OF THE BUSINESS
6 IN CREATING AND RETAINING ITS REQUISITE NUMBER OF EMPLOYMENT
7 OPPORTUNITIES.

8 (9) SUCH OTHER INFORMATION AND DOCUMENTATION AS THE
9 SECRETARY SHALL REQUIRE.

10 (F) PENALTY FOR NONCOMPLIANCE.--IN THE EVENT THAT A LOAN
11 RECIPIENT SHALL NOT COMPLY WITH ITS APPROVED APPLICATION BY
12 FAILING TO CREATE OR PRESERVE THE NUMBER OF EMPLOYMENT
13 OPPORTUNITIES SPECIFIED IN ITS APPROVED APPLICATION, THE
14 SECRETARY SHALL IMPOSE A PENALTY EQUAL TO AN INCREASE IN THE
15 INTEREST RATE TO 2% GREATER THAN THE CURRENT PRIME INTEREST RATE
16 FOR THE REMAINDER OF THE LOAN UNLESS THE PENALTY IS WAIVED BY
17 THE SECRETARY BECAUSE THE FAILURE IS DUE TO CIRCUMSTANCES
18 OUTSIDE THE CONTROL OF THE LOAN RECIPIENT. THE PENALTY SHALL BE
19 PAYABLE IN INSTALLMENTS THAT THE SECRETARY DEEMS APPROPRIATE.
20 SECTION 3006. POWERS OF SECRETARY.

21 THE SECRETARY SHALL HAVE AND MAY EXERCISE ALL POWERS AND
22 AUTHORITY NECESSARY TO THE PROPER ADMINISTRATION AND
23 IMPLEMENTATION OF THIS CHAPTER AND SHALL HAVE THE AUTHORITY TO
24 ADOPT POLICIES, PROCEDURES AND GUIDELINES AND PROMULGATE RULES
25 AND REGULATIONS NECESSARY TO EFFECTUATE THE PROVISIONS OF THIS
26 CHAPTER.

27 SECTION 3007. REPORTING AND INSPECTION.

28 (A) INSPECTION.--EACH BUSINESS ENTERPRISE WHICH APPLIES FOR
29 OR RECEIVES ASSISTANCE UNDER THIS CHAPTER, UPON REASONABLE
30 REQUEST OF THE DEPARTMENT, SHALL PERMIT DULY AUTHORIZED

1 EMPLOYEES OF THE DEPARTMENT TO INSPECT THE PLANT, BOOKS AND
2 RECORDS OF THE BUSINESS ENTERPRISE.

3 (B) UPDATING.--EACH BUSINESS ENTERPRISE SHALL UPDATE THE
4 INFORMATION GIVEN TO THE DEPARTMENT IN ITS APPLICATION IF
5 CONDITIONS CHANGE OR TO THE EXTENT THAT THE INFORMATION GIVEN
6 ORIGINALLY BECOMES INACCURATE OR MISLEADING.

7 (C) PERIODIC REPORTS.--EACH RECIPIENT OF ASSISTANCE UNDER
8 THIS CHAPTER SHALL PROVIDE THE DEPARTMENT WITH PERIODIC
9 FINANCIAL REPORTS AS THE SECRETARY MAY REQUIRE UNTIL SUCH TIME
10 AS THE LOAN IS PAID OFF.

11 SECTION 3008. NONDISCRIMINATION.

12 NO LOAN SHALL BE MADE TO A BUSINESS ENTERPRISE UNLESS THE
13 BUSINESS ENTERPRISE CERTIFIES TO THE DEPARTMENT, IN A FORM
14 SATISFACTORY TO THE DEPARTMENT, THAT IT SHALL NOT DISCRIMINATE
15 AGAINST ANY EMPLOYEE OR ANY APPLICANT FOR EMPLOYMENT BECAUSE OF
16 RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX OR AGE. THE BUSINESS
17 ENTERPRISE SHALL ALSO CERTIFY TO THE DEPARTMENT THAT IT IS NOT
18 CURRENTLY UNDER CITATION FOR POLLUTION VIOLATIONS AND THAT IN
19 THE FUTURE IT WILL MEET ALL APPLICABLE ANTIPOLLUTION STANDARDS.

20 SECTION 3009. CONFLICT OF INTEREST.

21 NO EMPLOYEE OF THE DEPARTMENT SHALL, EITHER DIRECTLY OR
22 INDIRECTLY, BE A PARTY TO OR HAVE ANY FINANCIAL INTEREST IN ANY
23 CONTRACT OR AGREEMENT ARISING PURSUANT TO THIS CHAPTER.

24 SECTION 3010. REPORTS TO THE GENERAL ASSEMBLY.

25 (A) ANNUAL REPORTS.--ON OR BEFORE JUNE 30 OF EACH YEAR, THE
26 SECRETARY SHALL PROVIDE A REPORT TO THE CHIEF CLERK OF THE HOUSE
27 OF REPRESENTATIVES AND TO THE SECRETARY OF THE SENATE. THE
28 REPORT SHALL DESCRIBE ALL RELEVANT ACTIVITIES OF THE DEPARTMENT
29 PURSUANT TO THIS CHAPTER AND SHALL INCLUDE THE FOLLOWING:

30 (1) LIST OF BUSINESS ENTERPRISES RECEIVING LOANS FROM

1 THE FUND AND THE AMOUNTS AND TERMS OF THIS ASSISTANCE.

2 (2) LOAN AMOUNTS REPAID.

3 (3) LOANS OUTSTANDING AND BALANCES DUE, INCLUDING
4 DELINQUENT PAYMENTS.

5 (4) JOBS CREATED BY BUSINESSES RECEIVING FUNDS IN ALL
6 PREVIOUS YEARS.

7 (5) OTHER RELEVANT INFORMATION AS DETERMINED BY THE
8 SECRETARY OF COMMERCE.

9 (B) AVAILABILITY OF DEPARTMENTAL REPORTS.--REPORTS RECEIVED
10 BY THE DEPARTMENT UNDER SECTION 3005(E) SHALL BE MADE AVAILABLE
11 UPON REQUEST TO MEMBERS OF THE GENERAL ASSEMBLY.

12 Section 5. Section 5105 of the act is amended to read:

13 Section 5105. Power and authority of the Pennsylvania Economic
14 Development Financing Authority.

15 In addition to the powers set forth in section 6.3 of the act
16 of August 23, 1967 (P.L.251, No.102), known as the Economic
17 Development Financing Law, the Pennsylvania Economic Development
18 Financing Authority established under that act shall have the
19 power and is hereby authorized to issue its limited obligation
20 revenue bonds and other types of financing, as in the judgment
21 of the financing authority shall be necessary, to provide
22 sufficient funds for any activity the department or the
23 Pennsylvania Industrial Development Authority is permitted to
24 take with respect to the loan portfolios subject to their
25 respective administrative authority [as set forth in section
26 1302]. Bonds authorized to be issued under this section shall
27 not be a debt or liability of the Commonwealth and shall not
28 create or constitute any indebtedness, liability or obligation
29 of the Commonwealth except to the extent the bonds are secured
30 by the pledge of loan portfolios. Bonds authorized to be issued

1 under this section shall be payable solely from the revenues or
2 funds pledged or available for their repayment.

3 ~~Section 6. The act of December 20, 1985 (P.L.492, No.116),~~ <—
4 ~~known as the Customized Job Training Act, is repealed.~~

5 SECTION 6. THE FOLLOWING ACTS AND PARTS OF ACTS ARE <—
6 REPEALED:

7 ACT OF DECEMBER 20, 1985 (P.L.492, NO.116), KNOWN AS THE
8 CUSTOMIZED JOB TRAINING ACT.

9 ACT OF OCTOBER 21, 1988 (P.L.1050, NO.120), KNOWN AS THE
10 MACHINERY AND EQUIPMENT LOAN FUND ACT.

11 SECTION 12(B) OF THE ACT OF NOVEMBER 26, 1997 (P.L.504,
12 NO.54), KNOWN AS THE SELF-EMPLOYMENT ASSISTANCE PROGRAM ACT.

13 Section 7. The addition of Chapter 29 of the act shall be
14 deemed a continuation of the program authorized by the former
15 act of December 20, 1985 (P.L.492, No.116), known as the
16 Customized Job Training Act,~~and, except;~~ AND THE ADDITION OF <—
17 CHAPTER 30 OF THE ACT SHALL BE DEEMED A CONTINUATION OF THE ACT
18 OF OCTOBER 21, 1988 (P.L.1050, NO.120), KNOWN AS THE MACHINERY
19 AND EQUIPMENT LOAN FUND ACT. EXCEPT where in conflict with the
20 provisions of this act, the regulations promulgated under ~~that~~ <—
21 ~~former act~~ THE FORMER ACTS shall remain in force and effect <—
22 until they are amended or repealed in accordance with law.

23 Section 8. This act shall take effect immediately.