
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2297

Session of
1984

INTRODUCED BY MANDERINO, RYAN, LINTON, R. C. WRIGHT, IRVIS, FATTAH, MILLER, PIEVSKY, MICHLOVIC, COWELL, E. Z. TAYLOR, PETRARCA, HOFFEL, LLOYD, AFFLERBACH, FREEMAN, ITKIN, DOMBROWSKI, D. R. WRIGHT, RUDY, SALOOM, WARGO, HALUSKA, GALLAGHER, KASUNIC, WASS, DALEY, CESSAR, WAMBACH, PISTELLA, KUKOVICH, PRATT, McHALE, RYBAK, CALTAGIRONE, BELFANTI, STUBAN, GEORGE, WACHOB, FEE, DeLUCA, COLE, BATTISTO, SERAFINI, GREENWOOD, COSLETT, DEAL, SHOWERS, PRESTON, MURPHY, RAPPAPORT, OLIVER, SEVENTY, CLARK, DUFFY, MRKONIC, SWEET, GAMBLE, RICHARDSON, MAYERNIK, STEWART, WOZNIAK, CORDISCO AND COHEN, JUNE 13, 1984

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, JUNE 26, 1984

AN ACT

1 Amending the act of July 22, 1974 (P.L.598, No.206), entitled
2 "An act creating the Pennsylvania Minority Business
3 Development Authority as a governmental instrumentality and
4 as a body corporate and politic; prescribing the rights,
5 powers and duties of such authority; authorizing such
6 authority to acquire by gift or purchase; to make loans,
7 guarantees or other financial accommodations to minority
8 business enterprises, to borrow money and issue bonds
9 therefor, providing for the payment of such bonds and giving
10 security therefor, prescribing the rights of the holders of
11 such bonds; providing that no debt of the Commonwealth shall
12 be incurred in the exercise of any powers granted by this
13 act; exempting the property and securities of such authority
14 from taxation; authorizing the authority to enter into
15 contracts with and to accept grants from the Federal
16 Government or any agency thereof; providing for the
17 examination of the accounts and affairs of the authority; and
18 making an appropriation," further providing for assistance to
19 minority business enterprises; and making appropriations.

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

1 Section 1. The definition of "minority business enterprise"
2 in section 3 of the act of July 22, 1974 (P.L.598, No.206),
3 known as the Pennsylvania Minority Business Development
4 Authority Act, is amended and a definition is added to read:

5 Section 3. Definitions.--As used in this act:

6 * * *

7 "Minority business enterprise" means a business enterprise,
8 other than a bar, tavern, restaurant or any other enterprise <—
9 which has as its primary function the dispensing of food or <—
10 ALCOHOLIC beverages on a retail basis, that is owned or <—
11 controlled by one or more socially or economically disadvantaged
12 persons who are residents of the Commonwealth of Pennsylvania.
13 Such disadvantage may arise from cultural, racial, chronic
14 economic circumstances or background or other similar cause.
15 Such persons include, but are not limited to, Negroes, Puerto
16 Ricans, Spanish-speaking Americans, American Indians, Eskimos
17 and Aleuts.

18 "Minority contractor" means a minority business enterprise
19 which has entered into a contract, purchase order, or other
20 procurement arrangement with an agency or a contractor of the
21 Commonwealth, and has received, is to receive, or is receiving
22 public funds from the Commonwealth under such contract, purchase
23 order, or other procurement arrangement, including, but not
24 limited to, subcontractors under a Commonwealth contract.

25 * * *

26 Section 2. Section 7 of the act is amended by adding clauses
27 to read:

28 Section 7. Activities and Powers of the Authority,
29 Specific.--The authority shall have the power:

30 * * *

1 (3) To guarantee up to ninety per cent of bid and
2 performance bonds needed by a minority business enterprise to
3 obtain a contract with a Commonwealth agency pursuant to
4 specifications of the agency or the Department of General
5 Services.

6 (4) To provide short-term loans to minority contractors for
7 working capital, up to fifty per cent of the value of the
8 contract not to exceed fifty thousand dollars (\$50,000).

9 Minority business enterprises which wish to participate may file
10 an application to the board for assistance under this section,

11 ~~if they have been prequalified by the Department of General~~ <—

12 ~~Services, and if, IF the assistance is directly related to a~~ <—

13 ~~Commonwealth procurement CONTRACT on which the minority business~~ <—

14 ~~enterprise is bidding or QUALIFIED TO BID AND intends to bid.~~ <—

15 ~~Such applications may be approved contingent on award of the~~ <—

16 ~~Commonwealth contract, and financing shall be provided in a~~

17 ~~timely manner after award of the contract.~~

18 (5) To contract with private firms to provide technical and
19 managerial assistance to applicants for and recipients of
20 financial assistance provided under this act.

21 Section 3. Section 8 of the act is amended by adding a
22 subsection to read:

23 Section 8. Loans and Financial Participation by the
24 Authority.--* * *

25 (e) Each recipient of a loan, loan guarantee or equity
26 guarantee shall be provided with technical assistance services
27 that will contribute to the success of the enterprise and its
28 ability to repay loans and provide return on equity. These
29 services may include such areas as market surveys, accounting,
30 financial reporting, legal assistance, billing and marketing.

1 SECTION 4. (A) IN ORDER TO FACILITATE THE SPEEDY
2 IMPLEMENTATION OF THE PROGRAM IN SECTIONS 2 AND 3, THE MINORITY
3 BUSINESS DEVELOPMENT AUTHORITY SHALL HAVE THE POWER AND
4 AUTHORITY TO PROMULGATE, ADOPT AND USE GUIDELINES WHICH SHALL BE
5 PUBLISHED IN THE PENNSYLVANIA BULLETIN. THE GUIDELINES SHALL NOT
6 BE SUBJECT TO REVIEW PURSUANT TO SECTION 205 OF THE ACT OF JULY
7 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH
8 DOCUMENTS LAW, SECTIONS 204(B) AND 301(10) OF THE ACT OF OCTOBER
9 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS
10 ACT, OR THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE
11 REGULATORY REVIEW ACT, AND, EXCEPT AS PROVIDED IN SUBSECTION
12 (C), SHALL BE EFFECTIVE FOR A PERIOD NOT TO EXCEED ONE YEAR FROM
13 THE EFFECTIVE DATE OF THIS ACT.

14 (B) EXCEPT AS PROVIDED IN SUBSECTION (C), AFTER THE
15 EXPIRATION OF THE ONE-YEAR PERIOD, ALL GUIDELINES SHALL EXPIRE
16 AND SHALL BE REPLACED BY REGULATIONS WHICH SHALL HAVE BEEN
17 PROMULGATED, ADOPTED AND PUBLISHED AS PROVIDED BY LAW.

18 (C) THE GENERAL ASSEMBLY MAY PROVIDE FOR AN EXTENSION OF THE
19 GUIDELINES ADOPTED PURSUANT TO SUBSECTION (A), IF THE LEADERSHIP
20 COMMITTEE ESTABLISHED PURSUANT TO SECTIONS 3 AND 4 OF THE ACT OF
21 DECEMBER 22, 1981 (P.L.508, NO.142), KNOWN AS THE SUNSET ACT,
22 EXTENDS THE GUIDELINES ADOPTED PURSUANT TO SUBSECTION (A).

23 Section 4 5. (a) The sum of \$500,000 is hereby appropriated
24 for the fiscal year beginning July 1, 1984 and ending June 30,
25 1985 from the Pennsylvania Economic Revitalization Fund to the
26 Department of Commerce for the Minority Business Development
27 Authority to use for bid and performance bond guarantees
28 pursuant to section 7(3) of the act.

29 (b) The sum of \$500,000 is hereby appropriated for the
30 fiscal year beginning July 1, 1984 and ending June 30, 1985 from

1 the Pennsylvania Economic Revitalization Fund to the Department
2 of Commerce for the Minority Business Development Authority to
3 use for assistance to minority contractors as specified in
4 section 7(4) of the act.

5 (c) The sum of \$700,000 is hereby appropriated for the
6 fiscal year beginning July 1, 1984 and ending June 30, 1985 from
7 the Pennsylvania Economic Revitalization Fund to the Department
8 of Commerce for the Minority Business Development Authority to
9 use for ~~assistance~~ LOANS, LOAN GUARANTEES, EQUITY GUARANTEES AND <—
10 TECHNICAL AND MANAGERIAL ASSISTANCE, AS PROVIDED IN SECTION 7(5)
11 OF THE ACT, to minority business enterprises consistent with the
12 act.

13 Section ~~5~~ 6. This act shall take effect immediately. <—