

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 910

Session of  
1985

INTRODUCED BY BOWSER, MERRY, DISTLER, MACKOWSKI, GODSHALL,  
COLAFELLA, TRELLO, BARLEY, NOYE, TELEK AND RICHARDSON,  
APRIL 16, 1985

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, APRIL 16, 1985

AN ACT

1 Amending the act of August 23, 1967 (P.L.251, No.102), entitled,  
2 as amended, "An act providing for the incorporation as public  
3 instrumentalities of the Commonwealth and as bodies corporate  
4 and politic of industrial and commercial development  
5 authorities for municipalities, counties and townships;  
6 prescribing the rights, powers and duties of such authorities  
7 hereafter incorporated; authorizing such authorities to  
8 acquire, by gift or purchase, to construct, improve and  
9 maintain industrial, specialized, or commercial development  
10 projects including projects for the elimination or prevention  
11 of blight and the control of air and water pollution, and to  
12 borrow money and issue bonds therefor; providing for the  
13 payment of such bonds and giving security therefor, and  
14 prescribing the rights of the holders of such bonds;  
15 authorizing the lease or sale of industrial, specialized, or  
16 commercial development projects to industrial, specialized,  
17 or commercial enterprises; authorizing any county,  
18 municipality or township to transfer or convey to such  
19 authorities, any facilities or property available for  
20 industrial, specialized, or commercial development projects;  
21 exempting the property and securities of such authorities  
22 from taxation; authorizing such authorities to enter into  
23 contracts with and to accept grants from the Federal  
24 Government or any agency thereof; and providing for approval  
25 by the Secretary of Commerce of the proceedings relating to  
26 industrial, specialized, or commercial development projects  
27 of such authorities," further providing for the removal of  
28 authority board members and for competitive bids on certain  
29 contracts.

30 The General Assembly of the Commonwealth of Pennsylvania  
31 hereby enacts as follows:

1       Section 1.   Section 9(a) and (b) of the act of August 23,  
2   1967 (P.L.251, No.102), known as the Industrial and Commercial  
3   Development Authority Law, are amended to read:

4       Section 9.   Governing Body.--(a)   The powers of each  
5   authority shall be exercised by a board composed as follows: the  
6   board shall consist of such number of members not less than five  
7   as shall be set forth in the articles of incorporation or  
8   amendment thereto. Except in cities operating under a duly  
9   adopted charter, the governmental body of such municipality  
10  shall appoint the members of the board, whose terms of office  
11  shall commence on the date of appointment. One member shall  
12  serve for one year, one for two years, one for three years, one  
13  for four years and one for five years from the January first  
14  next succeeding the date of incorporation or amendment, and if  
15  there are more than five members of the board, their terms shall  
16  be staggered in a similar manner for terms of from one to five  
17  years from the January first next succeeding. Thereafter,  
18  whenever a vacancy has occurred or is about to occur by reason  
19  of the expiration of the term of any member, the said  
20  governmental body shall appoint a member of the board[, except  
21  in cities operating under a duly adopted charter,] for a term of  
22  five years from the date of expiration of the prior term to  
23  succeed the member whose term has expired or is about to expire.  
24  [In cities operating under a duly adopted charter the members of  
25  the board shall be appointed and the members shall hold office  
26  in accordance with the provisions of said charter.]

27       (b)   Members shall hold office until their successors have  
28   been appointed, and may succeed themselves. Members of the board  
29   of any authority organized or created pursuant to this act shall  
30   receive no compensation for their services, but shall be

1 reimbursed for necessary traveling and other expenses incurred  
2 in the performance of their duties. [Except in cities operating  
3 under a duly adopted charter where removal shall be in  
4 accordance with the said charter, a] A member may be removed  
5 [with or without] for reasonable cause by the governmental body  
6 [or by the appointing authority]. If a vacancy shall occur by  
7 reason of the death, disqualification, resignation or removal of  
8 a member, a successor shall be appointed to fill his unexpired  
9 term in the manner provided in section 9 (a).

10 \* \* \*

11 Section 2. Section 12(a) and (b) of the act, amended  
12 December 19, 1975 (P.L.576, No.165), are amended to read:

13 Section 12. Competition in Award of Contracts.--(a) All  
14 construction, reconstruction, repairs or work of any nature made  
15 directly by any authority where the entire cost, value or amount  
16 of such construction, reconstruction, repairs or work, including  
17 labor and materials, shall exceed [five thousand dollars  
18 (\$5,000)] ten thousand dollars (\$10,000), except construction,  
19 reconstruction, repairs or work done by employees of said  
20 authority, or by labor supplied under agreement with any Federal  
21 or State agency, with supplies and materials purchased as  
22 hereinafter provided, shall be done only under contract or  
23 contracts to be entered into by the authority with the lowest  
24 responsible bidder upon proper terms, after due public notice  
25 has been given asking for competitive bids as hereinafter  
26 provided: Provided, however, That where the authority is the  
27 legal title holder to the industrial, specialized, or commercial  
28 development project, and there exists an agreement whereby an  
29 occupant or an investor-developer will or can acquire legal  
30 title to the said project under the then certain terms and

1 conditions, contracts for construction, reconstruction, repair,  
2 or work of any nature, or purchase of machinery and equipment,  
3 may be awarded by the occupant or the investor-developer without  
4 regard to the limitations of this section 12: And provided  
5 further, however, That for the purposes of this section 12,  
6 "construction" or "acquisition" shall not include acquisition of  
7 property for industrial, specialized, or commercial development  
8 purposes. No contract shall be entered into between an authority  
9 and a contractor for construction or improvement or repair of  
10 any project or portion thereof, unless the contractor shall give  
11 an undertaking with a sufficient surety or sureties approved by  
12 the authority, and in an amount fixed by the authority, for the  
13 faithful performance of the contract. All contracts of surety  
14 shall provide among other things that the contractor entering  
15 into a contract with the authority will pay for all materials  
16 furnished and services rendered for the performance of the  
17 contract, and that any person or corporation furnishing such  
18 materials or rendering such services may maintain an action to  
19 recover for the same against the obligor in the undertaking, as  
20 though such person or corporation was named therein, provided  
21 the action is brought within one year after the time the cause  
22 of action accrued.

23 (b) All supplies and materials costing [two thousand five  
24 hundred dollars (\$2500)] five thousand dollars (\$5,000) or more  
25 to be purchased directly by an authority shall be purchased only  
26 after due advertisement as hereinafter provided. The authority  
27 shall accept the lowest bid or bids, kind, quality and material  
28 being equal, but the authority shall have the right to reject  
29 any or all bids or select a single item from any bid. The  
30 provisions as to bidding shall not apply to the purchase of

1 patented and manufactured products offered for sale in a  
2 noncompetitive market or solely by a manufacturer's authorized  
3 dealer.

4 \* \* \*

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