

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2

Session of
1987

INTRODUCED BY SWEET, IRVIS, MANDERINO, PIEVSKY, F. TAYLOR,
O'DONNELL, D. R. WRIGHT, ITKIN, DOMBROWSKI, MICHLOVIC,
COWELL, VEON, STEWART, KUKOVICH, CARN, OLIVER, KOSINSKI,
PRESTON, ACOSTA, TRUMAN, ROEBUCK, FEE, STUBAN, SALOOM,
DeLUCA, CAPPABIANCA, BALDWIN, SHOWERS, COHEN, FATTAH, LINTON,
WIGGINS, JOSEPHS, DEAL, GRUITZA, COLAFELLA, PISTELLA, RUDY,
COY, PRESSMANN, HARPER, LESCOVITZ AND LIVENGOD, MARCH 18,
1987

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, MARCH 18, 1987

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," authorizing industrial development
28 authorities to enter into agreements for the issuance of pool

1 bonds to finance a series of small projects.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Section 3 of the act of August 23, 1967 (P.L.251,
5 No.102), known as the Industrial and Commercial Development
6 Authority Law, is amended by adding a definition to read:

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

8 * * *

9 "Pool bond." A bond issued by two or more authorities
10 incorporated pursuant to this act for the purpose of financing a
11 series of projects. A "pool bond" may be either a taxable issue
12 or a tax-exempt issue. Whenever the pool bond is a tax-exempt
13 issue, it shall combine projects which are eligible for the
14 small issues tax exemption authorized under the Internal Revenue
15 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

16 * * *

17 Section 2. Section 6(b) of the act is amended by adding a
18 clause to read:

19 Section 6. Purposes and Powers; General.--* * *

20 (b) Every authority is hereby granted, and shall have and
21 may exercise all powers necessary or convenient for the carrying
22 out of the aforesaid purposes, including but without limiting
23 the generality of the foregoing, the following rights and
24 powers:

25 * * *

26 (17) To enter into agreements with any other authority
27 incorporated pursuant to this act to issue pool bonds subject to
28 the conditions and limitations in section 7.

29 * * *

30 Section 3. Section 7 of the act is amended by adding a

1 subsection to read:

2 Section 7. Purposes and Powers; Bonds.--* * *

3 (f.1) In addition to any other requirements of this section,
4 any authority, which enters into a cooperative agreement for the
5 issuance of a pool bond, shall comply with the following
6 requirements:

7 (1) Projects eligible for financing from the proceeds of the
8 pool bond shall submit funding requests of not less than three
9 hundred thousand dollars (\$300,000), nor more than one million
10 five hundred thousand dollars (\$1,500,000).

11 (2) All revenues derived by the authority from projects
12 financed by a pool bond shall be used to pay interest and
13 principal on such pool bond.

14 (3) To the extent that a project financed from a pool bond
15 is eligible for tax-exempt status under the Internal Revenue
16 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), that
17 project shall be counted against the county or municipal
18 allocation of tax-exempt bonds.

19 (4) Authority liability for a pool bond issue shall not
20 exceed the amount of the issue allocated to that authority plus
21 the amount of interest on that allocated sum.

22 * * *

23 Section 4. This act shall take effect July 1, 1987, or
24 immediately, whichever is later.