

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 28

Session of
1993

INTRODUCED BY LLOYD, DeWEESE, EVANS, CARONE, BAKER, PETRARCA,
COY, KREBS, FEE, HERMAN, SCRIMENTI, PESCI, HANNA, DEMPSEY,
VAN HORNE, STABACK, LAUGHLIN, TOMLINSON, CAPPABIANCA,
STEELMAN, D. W. SNYDER, BATTISTO, HECKLER, SURRA, McCALL,
CESSAR, FAJT, GERLACH, WOZNIAK, JOSEPHS, STAIRS, TANGRETTI,
STEIGHNER, STETLER, LUCYK AND FREEMAN, JANUARY 27, 1993

REFERRED TO COMMITTEE ON RULES, JANUARY 27, 1993

AN ACT

1 Amending the act of May 17, 1956 (1955 P.L.1609, No.537),
2 entitled "An act to promote the welfare of the people of the
3 Commonwealth by the reduction of unemployment in certain
4 areas of the Commonwealth determined to be critical economic
5 areas; providing for the establishment of industrial
6 development projects in such areas; creating The Pennsylvania
7 Industrial Development Authority as a body corporate and
8 politic with power to allocate funds for and make secured
9 loans to industrial development agencies for the payment of a
10 part of the cost of industrial development projects in
11 critical economic areas; authorizing the Authority to enter
12 into agreements with the Government of the United States or
13 any Federal agency or industrial development agency;
14 empowering the Authority to take title to, sell, convey and
15 lease industrial development projects where necessary to
16 protect loans made by the Pennsylvania Industrial Development
17 Authority on industrial development projects; providing that
18 no debt of the Commonwealth, its municipalities or political
19 subdivisions shall be incurred in the exercise of any powers
20 granted by this act; and providing for the examination of the
21 accounts and affairs of the Authority; and making an
22 appropriation," further providing for nonmanufacturing
23 enterprises.

24 The General Assembly of the Commonwealth of Pennsylvania
25 hereby enacts as follows:

26 Section 1. Section 3(i), (s) and (u) of the act of May 17,

1 1956 (1955 P.L.1609, No.537), known as the Pennsylvania
2 Industrial Development Authority Act, amended or added June 16,
3 1972 (P.L.475, No.153), May 15, 1980 (P.L.131, No.49) and July
4 13, 1988 (P.L.534, No.95), are amended and the section is
5 amended by adding a clause to read:

6 Section 3. Definitions.--The following terms, whenever used
7 or referred to in this act, shall have the following meanings,
8 except in those instances where the context clearly indicates
9 otherwise:

10 * * *

11 (i) The term "industrial development project" shall mean any
12 land, site, structure, facility or undertaking comprising or
13 being connected with or being a part of (i) an industrial
14 enterprise, (ii) a manufacturing enterprise, (iii) a research
15 and development enterprise, [or] (iv) an agricultural enterprise
16 or (v) a non-manufacturing enterprise, established or to be
17 established by an industrial development agency in a critical
18 economic area.

19 * * *

20 (s) The term "small business" shall mean and refer to
21 respective responsible buyers or tenants occupying and operating
22 an industrial enterprise, a manufacturing enterprise, a research
23 and development enterprise [or], an agricultural enterprise or a
24 non-manufacturing enterprise and who, or which, together with
25 parents, subsidiaries or affiliated corporations or other
26 related business entities employ, in the aggregate, less than
27 fifty full time employes on an annual basis.

28 * * *

29 (u) The term "multiple-tenancy building project" shall mean
30 any land, site, structure, facility or undertaking acquired or

1 constructed for occupancy by two or more industrial enterprises,
2 manufacturing enterprises [or], research and development
3 enterprises or non-manufacturing enterprises, as those terms are
4 defined in this act, established or to be established by an
5 industrial development agency in a critical economic area.

6 (v) The term "non-manufacturing enterprise" shall mean an
7 enterprise which provides personal or professional services or
8 any mercantile, commercial or retail enterprise. The term shall
9 not include those professional enterprises which render personal
10 services to the public of the type which requires a license or
11 other legal authorization, or public service corporations whose
12 operations serve the needs of the general public, including
13 water, gas or electric companies, public transportation
14 companies or banking institutions.

15 Section 2. Section 5(b) of the act, amended July 10, 1963
16 (P.L.221, No.125), is amended to read:

17 Section 5. Powers of the Authority; General.--The Authority,
18 as a public corporation and governmental instrumentality
19 exercising public powers of the Commonwealth, is hereby granted
20 and shall have and may exercise all powers necessary or
21 appropriate to carry out and effectuate the purposes of this
22 act, including the following powers, in addition to others
23 herein granted:

24 * * *

25 (b) To co-operate with industrial development agencies in
26 their efforts to promote the expansion of industrial,
27 manufacturing [and], research and development and non-
28 manufacturing activity in critical economic areas;

29 * * *

30 Section 3. Section 6(b.2) of the act, amended July 13, 1988

1 (P.L.534, No.95), is amended to read:

2 Section 6. Powers of the Authority; Loans to Industrial
3 Development Agencies.--When it has been determined by the
4 Authority upon application of an industrial development agency
5 and hearing thereon in the manner hereinafter provided, that the
6 establishment of a particular industrial development project of
7 such industrial development agency in a critical economic area
8 has accomplished or will accomplish the public purposes of this
9 act, the Authority may contract to loan such industrial
10 development agency an amount not in excess of the percentage of
11 the cost of such industrial development project, as established
12 or to be established as hereinafter set forth, subject, however,
13 to the following conditions:

14 * * *

15 (b.2) Multiple-tenancy building projects:

16 (1) The cost of the project shall include only those items
17 of cost set forth in the definition of "cost of establishing an
18 industrial development project" in this act.

19 (2) Where this act otherwise would empower the Authority to
20 contract to loan an amount up to (40%) of the cost of the
21 project, the Authority may only contract to loan such an amount
22 if the loan of the Authority is secured by a first mortgage or a
23 participation in a first mortgage on said project; otherwise the
24 Authority may contract to loan an amount not in excess of (30%)
25 of the cost of the project: Provided, however, That if the
26 Authority's loan is secured by a participation in a first
27 mortgage on the project, the Authority may permit a portion of
28 its loan, not exceeding in amount (10%) of the project cost, to
29 be secured by a second mortgage on the project which is junior
30 in lien only to the participating first mortgage securing the

1 balance of the Authority's loan and the funds borrowed from
2 other independent and responsible sources.

3 Where making a loan in the financing of an industrial park or
4 a multiple-tenancy building project, the requirements of this
5 act shall apply unless otherwise provided herein, except the
6 requirements of this act as to the proposed industrial, research
7 and development [or], manufacturing or non-manufacturing
8 enterprise to be placed thereon or therein, the proposed
9 employment to be derived therefrom and the existence of a
10 responsible buyer or responsible tenant therefor shall not
11 apply.

12 * * *

13 Section 4. Section 7(a) and (k) of the act, amended July 10,
14 1963 (P.L.221, No.125), are amended to read:

15 Section 7. Loan Application Requirements.--Prior to the
16 loaning of any funds to an industrial development agency for an
17 industrial development project in a critical economic area, the
18 Authority shall receive from such industrial development agency
19 a loan application in form adopted by the Authority which shall
20 contain, without being limited to, the following provisions:

21 (a) A general description of the industrial development
22 project and a general description of the industrial [or],
23 manufacturing or non-manufacturing enterprise or research and
24 development facility for which the industrial development
25 project has been or is to be established;

26 * * *

27 (k) Evidence that the establishment of the industrial
28 development project will not cause the removal of an industrial
29 or manufacturing plant or facility or research and development
30 facility or a non-manufacturing enterprise or facility from one

1 area of the Commonwealth to another area of the Commonwealth.

2 * * *

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