

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1440 Session of  
1995

INTRODUCED BY SATHER, SCRIMENTI, PITTS, BOYES AND CAPPABIANCA,  
APRIL 25, 1995

REFERRED TO COMMITTEE ON APPROPRIATIONS, APRIL 25, 1995

AN ACT

1 Appropriating money from the Sunny Day Fund to the Department of  
2 Commerce for various projects throughout this Commonwealth  
3 for fiscal year 1995-1996.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. The sums set forth in this act, or as much  
7 thereof as may be necessary, are hereby specifically  
8 appropriated from the Sunny Day Fund to the Department of  
9 Commerce for fiscal year July 1, 1995, to June 30, 1996, for the  
10 projects listed to enhance economic development and the creation  
11 of jobs in this Commonwealth in accordance with the provisions  
12 of Ch. 1 of the act of July 1, 1985 (P.L.120, No.32), known as  
13 the Sunny Day Fund Act.

14 Section 2. The following amounts are appropriated to the  
15 Department of Commerce to induce companies to locate large  
16 industrial, manufacturing or research and development  
17 enterprises within this Commonwealth:

18 (1) For the purpose of making a loan,

1 either directly or through an industrial  
2 development agency as defined in section 3 of  
3 the act of May 17, 1956 (1955 P.L.1609,  
4 No.537), known as the Pennsylvania Industrial  
5 Development Authority Act, to Bush Industries,  
6 Inc., to construct a new distribution and  
7 manufacturing facility in Erie County. It is  
8 estimated that this project will create 300 new  
9 jobs within three years of operation.

10 State appropriation..... \$2,000,000

11 (2) For the purpose of making a loan,  
12 either directly or through an industrial  
13 development agency as defined in section 3 of  
14 the Pennsylvania Industrial Development  
15 Authority Act, to Berg Electronics, Inc., to  
16 construct a manufacturing facility in  
17 Huntingdon County. It is estimated that this  
18 project will create 500 new jobs within three  
19 years of operation.

20 State appropriation..... 7,000,000

21 Section 3. It is the intent of the General Assembly that the  
22 appropriations in section 2 shall be loaned at an annual  
23 interest rate that in no case shall be less than the  
24 Pennsylvania Industrial Development Authority's rate for the  
25 area in which the project is located and for a term that shall  
26 be the same as the term for an equivalent Pennsylvania  
27 Industrial Development Authority project. Private companies  
28 which receive Sunny Day Fund assistance but fail to make the  
29 investment in the enterprise development as specified in section  
30 2 shall be liable for the repayment of all Sunny Day Fund

1 moneys, including any accrued interest thereon and any penalties  
2 set by the Secretary of Commerce. Private companies which  
3 receive Sunny Day Fund assistance but fail to create the number  
4 of jobs specified in the approved loan or other agreements with  
5 the Commonwealth shall be liable for a penalty equal to an  
6 increase in the interest charged to 2% greater than the current  
7 prime interest rate for the remainder of the loan, unless the  
8 penalty is waived by the Secretary of Commerce because the  
9 failure is due to circumstances outside of the control of the  
10 private company. The Secretary of Commerce shall consult with  
11 the chairman of the Appropriations Committee of the Senate and  
12 the chairman of the Appropriations Committee of the House of  
13 Representatives prior to the establishment of waiver of  
14 penalties.

15       Section 4. For a period equal to the term of assistance  
16 provided each project approved under this act, the Department of  
17 Commerce shall provide a written report on the status of each  
18 project to the Secretary of the Senate and the Chief Clerk of  
19 the House of Representatives by June 30 of each year. This  
20 report shall contain, at a minimum, information pertaining to  
21 the specific use of the Sunny Day Fund money, the interest rate  
22 and term of the Sunny Day Fund loan, the amount of principal  
23 outstanding and interest due on the loan and the number of jobs  
24 created by the project. All recipients of funds under this act  
25 shall be required to provide any and all information required by  
26 the Department of Commerce for the purpose of this act.

27       Section 5. No funds under this act shall be awarded by the  
28 Department of Commerce after June 30, 1997. Any funds from this  
29 appropriation remaining unexpended or unencumbered on June 30,  
30 1997, shall automatically lapse into the Sunny Day Fund.

1       Section 6.   This act shall take effect July 1, 1995, or  
2 immediately, whichever is later.