

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1126 Session of
1993INTRODUCED BY STEWART, LINCOLN, O'PAKE, PUNT, MUSTO, SALVATORE,
SCHWARTZ, SCANLON AND BELAN, MAY 14, 1993SENATOR STEWART, COMMUNITY AND ECONOMIC DEVELOPMENT, AS AMENDED,
JUNE 8, 1993

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 definitions, for
28 applicable elected representatives, for purposes and powers,
29 for powers of the financing authority, for financing
30 authority indebtedness, for financing authority loans, for
31 industrial and commercial development authorities, for bonds
32 and for competition in award of contracts.

33 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 1 of the act of August 23, 1967 (P.L.251,
3 No.102), known as the Industrial and Commercial Development
4 Authority Law, amended December 29, 1971 (P.L.647, No.171), is
5 amended to read:

6 Section 1. This act shall be known and may be cited as the
7 ["Industrial and Commercial Development Authority Law."
8 "Economic Development Financing Law."

9 Section 2. Section 2 of the act, amended December 29, 1972
10 (P.L.1675, No.359), December 19, 1975 (P.L.576, No.165) and
11 December 16, 1982 (P.L.1363, No.312), is amended to read:

12 Section 2. Findings and Declaration of Policy.--It is hereby
13 determined and declared as a matter of legislative finding:

14 (1) That economic insecurity due to unemployment is at any
15 time a serious menace to the health, safety, morals and general
16 welfare of the people of the Commonwealth and that a high level
17 of unemployment and lack of business opportunity particularly in
18 areas of urban and rural blight are threats to the strength and
19 permanence of American political and economic institutions and
20 the philosophy of freedom on which those institutions are based;

21 (2) That a minimum level of unemployment and a maximum level
22 of business opportunity, and the elimination or prevention of
23 blight can best be provided by the promotion, attraction,
24 stimulation, rehabilitation and revitalization of industry,
25 commerce[, manufacturing and research and development] and other
26 economic activities in the Commonwealth;

27 (3) That the present and prospective health, safety, morals
28 and general welfare of the people of [the] this Commonwealth
29 require as a public purpose the promotion and development of
30 new, expanded and rehabilitated industrial, commercial[,

1 manufacturing and research and development] and other economic
2 activities;

3 (4) That the creation and operation of The Pennsylvania
4 Industrial Development Authority has proved highly successful in
5 attracting industry and the resultant employment and business
6 opportunities to critical areas of unemployment within the
7 Commonwealth;

8 (5) That to continue and further the successful program of
9 The Pennsylvania Industrial Development Authority, it is
10 necessary to provide additional means of financing the promotion
11 and development of new, expanded and rehabilitated industrial,
12 [specialized, and commercial enterprises, including in
13 conjunction therewith the financing of machinery and equipment;]
14 commercial and other economic activities, including in
15 conjunction therewith the financing of machinery and equipment
16 and other capital needs;

17 (6) That many existing industrial, [specialized and
18 commercial enterprises] commercial and other economic activities
19 throughout [the] this Commonwealth could become more competitive
20 and could expand more rapidly if [such] additional means of
21 financing were available for modern buildings, plant facilities
22 [and], modern machinery and equipment and other capital needs;

23 (7) That additional industrial, [specialized, and commercial
24 enterprises could be attracted to the Commonwealth if such
25 additional means of financing were available to construct,
26 rehabilitate and expand industrial, specialized facilities, or
27 commercial buildings, or plants and in conjunction therewith
28 equip the same with modern machinery and equipment;] commercial
29 and other economic activities could be attracted to this
30 Commonwealth if such additional means of financing were

1 available to acquire, construct, rehabilitate and expand
2 facilities and implement other cost savings activities,
3 including, but not limited to, buildings, plants, machinery and
4 equipment and other industrial and commercial facilities;

5 (8) That by reason of the unavailability of private credit
6 sources redevelopment areas in cities of [the] this Commonwealth
7 have remained unimproved and the residents of core areas of
8 cities of [the] this Commonwealth and in particular minority
9 groups are denied the benefits of balanced industrial,
10 commercial and residential environment and a balance of
11 employment, cultural[,] and business opportunities;

12 (9) That the provisions of the Constitution [of
13 Pennsylvania] guaranteeing the residents of [the] this
14 Commonwealth clean air and water and the preservation of the
15 environment and their implementation through the establishment
16 of quality standards relating to abatement or elimination of
17 [air and water] pollution have resulted in the need for
18 additional means of financing to assist and encourage
19 [industrial, specialized, and commercial enterprises to comply
20 with such air and water pollution control standards;] compliance
21 with such air, water, solid or liquid waste disposal, sewage
22 disposal and pollution control standards;

23 (10) That there is now, and is expected to be, a critical
24 need for the production of water suitable for public use and
25 consumption, natural gas, coal, oil, and other resources, and
26 that in order to insure continuing supplies of such resources at
27 reasonable rates, it is necessary to provide additional means of
28 financing [enterprises] projects directed to such production;

29 (11) That to protect the health, safety and general welfare
30 of the people of [the] this Commonwealth and to further

1 encourage economic development and efficiency within [the] this
2 Commonwealth by providing basic services and facilities, it is
3 necessary to provide additional or alternative means of
4 financing [certain transportation and other facilities,
5 industrial parks, nursing homes, energy conversion facilities
6 and facilities for the furnishing of gas or through the use of
7 coal-fired generating facilities, gas, or water available on
8 reasonable demand to members of the general public.]
9 infrastructure facilities, transportation facilities and systems
10 of every kind, industrial parks, energy conversion facilities,
11 facilities for the furnishing of gas or water, communication
12 facilities, tourism, recreational and sports facilities,
13 convention facilities, health care facilities, education
14 facilities, facilities and services for persons requiring
15 special care and other basic service and related facilities and
16 facilities conducive to economic activity within this
17 Commonwealth;

18 (12) That there now is and will continue to exist a need to
19 build, improve and finance the operations of facilities owned by
20 municipalities, municipal authorities, and other authorities and
21 instrumentalities of the Commonwealth, including, but not
22 limited to, publicly owned park facilities, roads and other
23 transportation facilities and systems of every kind,
24 correctional facilities, jails, court facilities, waste
25 treatment and disposal facilities, firefighting facilities,
26 library facilities and police facilities and that the cost of
27 obtaining the financing for building and improving these public
28 facilities may be reduced through the issuance of bonds through
29 the Pennsylvania Economic Development Financing Authority;

30 (13) That the public ports of this Commonwealth are assets

1 of value to the entire Commonwealth, and the residents of all
2 parts of this Commonwealth benefit directly from the waterborne
3 commerce that the ports attract and service, and any improvement
4 to the ports that increases export and import commerce will
5 benefit the people of the entire Commonwealth.

6 Therefore, it is hereby declared to be the policy of [the
7 Commonwealth of Pennsylvania] this Commonwealth to promote the
8 health, safety, morals, employment, business opportunities,
9 economic activity and general welfare of the people thereof by
10 providing for the creation of industrial or commercial
11 development authorities which shall exist and operate as public
12 instrumentalities of the Commonwealth [for the public purpose of
13 alleviating unemployment, maintaining employment at a high
14 level, eliminating and preventing blight and eliminating or
15 reducing air and water pollution, and creating and developing
16 business opportunities by the construction, improvement,
17 rehabilitation, revitalization and financing of industrial,
18 commercial, manufacturing and research and development
19 enterprises. Such purpose is hereby declared to be a public
20 purpose.], and by providing for the creation of the Pennsylvania
21 Economic Development Financing Authority which shall exist and
22 operate as a public instrumentality of the Commonwealth.

23 Section 3. The act is amended by adding sections to read:

24 Section 2.1. Further Findings and Declaration of Policy.--It
25 is hereby further determined and declared as a matter of
26 legislative finding that the purposes of this act are to:

27 (1) Promote industrial, commercial and other economic
28 development.

29 (2) Promote public and private infrastructure.

30 (3) Promote the use of the most efficient means of

1 production and distribution of goods and services within this
2 Commonwealth.

3 (4) Protect the natural resources of this Commonwealth and
4 encourage the reduction and recycling of wastes and the orderly
5 recovery of natural resources.

6 (5) Promote improvement in the quality of goods and services
7 produced in this Commonwealth to insure their continued demand
8 in the competitive global economy.

9 (6) Promote the building and use of efficient means for
10 transporting and storing goods by, among other things,
11 developing sufficient port, rail, highway, air, intermodal
12 shipping, warehouse and other transportation and storage
13 facilities within this Commonwealth.

14 (7) Promote the installation and use of the most efficient
15 means of communications.

16 (8) Promote a healthy environment through the abatement,
17 safe storage, transport, elimination, remediation and disposal
18 within this Commonwealth of pollutants and wastes of every kind
19 and type, whether liquid, solid, gaseous, noise, thermal or
20 otherwise, and sewage.

21 (9) Promote and encourage retail and wholesale
22 establishments, whether by the promotion of such establishments
23 themselves or through auxiliary activities such as the promotion
24 of new or improved residential facilities or other activities
25 deemed appropriate to eliminate blight or otherwise improve an
26 area for industrial, commercial and other economic activity.

27 (10) Promote the use of urban and commercial centers by,
28 among other things, providing parking, convention, tourism,
29 recreational and sports facilities.

30 (11) Promote the establishment and development of health

care and educational facilities and services, and facilities for the care of persons requiring special care.

(12) Promote centers for research and development and for the use and transfer of new or existing technologies.

(13) Promote the acquisition, construction and improvement of public facilities.

(14) Otherwise promote the health, welfare and safety of the residents of this Commonwealth by promoting economic activity and efficiency, by alleviating or eliminating unemployment, blight and other unhealthy conditions and by otherwise providing public benefit and prosperity and to do or perform any of the above regardless of whether the project, the project applicant or the project user is public or private or done with a profit or not-for-profit purpose.

Section 2.2. Construction.--This act shall be liberally construed in order to effect the legislative and public purposes of sections 2 and 2.1 of this act. The terms "finance" and "financing," as used in this act, shall be given the broadest possible interpretation and shall include, but not be limited to, refinance and refinancing.

Section 4. Section 3 of the act, amended December 19, 1975 (P.L.576, No.165), December 16, 1982 (P.L.1363, No.312) and July 10, 1987 (P.L.273, No.48), is amended to read:

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

["Agricultural activity" means any person, partnership, or corporation which is engaged primarily in raising, preparing, or marketing crops, livestock, or related products.]

"Acquisition" means the acquisition, construction, reconstruction, equipping, expansion, extension, improvement, rehabilitation or remodeling of a project.

1 "Authority" or "industrial and commercial development
2 authority" means a public instrumentality of the Commonwealth
3 and a body politic and corporate, created pursuant to section 4
4 of this act.

5 "Board" means the governing body of an authority created
6 pursuant to section 4 of this act.

7 "Bonds" means and includes [the notes, bonds] any notes,
8 instruments, refunding notes and bonds and other [evidence]
9 evidences of indebtedness or obligations, [which each authority
10 is authorized to issue pursuant to section 6(b)(10) of this act
11 or which the financing authority is authorized to issue pursuant
12 to section 6.3 of this act.

13 "Certain transportation and other facilities" means airports,
14 docks, wharves, mass commuting facilities, public parking
15 facilities, inter modal transportation facilities, or storage or
16 training facilities directly related to any such facility and
17 facilities for the confinement or correction of prisoners.

18 "Commercial enterprise" means an enterprise other than a
19 specialized enterprise or industrial enterprise which by its
20 nature or size requires substantial capital and which by its
21 nature or size has created, or offers reasonable likelihood of
22 creating, substantial employment opportunities. The term
23 "commercial enterprise" may include wholesale, retail and other
24 mercantile activities, office buildings, hotel or motel
25 structures, shopping centers, department stores and
26 international, national and regional headquarters facilities:
27 Provided, however, That with respect to redevelopment pursuant
28 to a redevelopment proposal, there shall be no requirement
29 concerning substantiality of capital nor substantiality of
30 creation of employment opportunities.]

1 "Commercial facilities" means and includes, but is not
2 limited to, wholesale, retail and other mercantile facilities,
3 warehouse and distribution facilities, service facilities,
4 office facilities, hotel or motel facilities, shopping centers,
5 department stores and international, national and regional
6 headquarters facilities, health care facilities, education
7 facilities, facilities for persons requiring special care,
8 research and development facilities, and tourism, recreational
9 and sports facilities.

10 "Commonwealth agency" means any agency, authority or other
11 instrumentality of the Commonwealth.

12 "Construction" [and] or "to construct" [mean and include]
13 means and includes the [acquisition,] equipping, erection,
14 extension, installation, renovation, enlargement or
15 [substantial] repair of structures employed in, or related to,
16 [activities] projects comporting with the intent of this act,
17 and also [include] includes activities substantially related to
18 such [acquisition,] equipping, erection, extension,
19 installation, renovation, enlargement or substantial repair of
20 structures employed in, or related to, such [activities]
21 projects.

22 ["Cost of the industrial development project, specialized
23 development project or commercial development project" or "cost
24 of the project" or "cost" means and includes the expense of
25 construction, the expense of acquisition of all structures,
26 lands and other property rights and interests in land necessary
27 to the project. The terms also include the expense of
28 demolishing, removing or relocating any buildings or structures
29 on lands acquired or to be acquired, including the expense of
30 acquiring any lands to which such buildings or structures may be

1 moved or relocated, the expense of sewage treatment, waste
2 treatment and pollution control facilities, railroad sidings,
3 spurs, or branch lines and of all labor, materials, machinery
4 and equipment, financing charges, interest on all bonds prior to
5 and during construction, and for a period of six months
6 thereafter, cost of engineering, financial and legal services,
7 plans, specifications, studies, surveys necessary or incidental
8 to determining the feasibility or practicability of constructing
9 an industrial, specialized, or commercial development project,
10 administrative expenses, reserves for interest and for
11 extensions, enlargements, additions and improvements, and such
12 other expenses as may be necessary or incidental to the
13 construction of industrial, specialized, or commercial
14 development projects and the placing of the same in operation.]

15 "Cost of the project" or "cost" means and includes any and
16 all costs of a project, including, but not limited to, any and
17 all costs and expenses of acquisition of all land, interests in
18 land, property, rights, buildings, structures, equipment,
19 furnishings and other tangible or intangible property comprising
20 the project, the expense of demolishing, removing or relocating
21 any buildings or structures on lands acquired or to be acquired
22 and the expense of acquiring any lands to which such buildings
23 or structures may be moved or relocated, financing charges and
24 other costs of financing and issuing bonds, interest expenses
25 prior to and during construction and for a period of twelve
26 months thereafter, costs of engineering, financial, accounting
27 and legal services, plans, specifications, studies, surveys
28 necessary or incidental to determining the feasibility or
29 practicability of constructing the project, administrative
30 expenses, reserves for interest and such other expenses as may

1 be necessary or incidental to the development, implementation or
2 use of the project and the placing of the same in operation. In
3 addition, "cost of the project" or "cost" may include working
4 capital or other capital needs related to industrial, commercial
5 or other economic activities, or operating costs of public
6 facilities; provided, however, that working capital, operating
7 costs and other capital needs shall be limited as a percentage
8 of the cost of the project financed with the proceeds of bonds
9 issued under this act by regulations, statements of policy,
10 guidelines or rulings issued by the Department of Commerce.

11 "Department" means the Department of Commerce of the
12 Commonwealth.

13 "Disaster relief project" means any undertaking to
14 rehabilitate, repair, reconstruct, clean up, replace or
15 otherwise return to economic use any land, site, structure, or
16 facility, including machinery, equipment and tools damaged or
17 lost due to disaster of flood or fire or other casualty
18 [comprising or being a part of an industrial, specialized or
19 commercial enterprise]. In order to qualify as a disaster relief
20 project, a project must be located within a county designated as
21 a disaster area by the President of the United States.

22 ["Energy conversion facility" means an improvement to an
23 industrial, commercial, or specialized development project which
24 changes its fuel consumption capability to a fuel determined by
25 the authority, with the approval of the secretary to be more
26 desirable than the fuel used by the occupant of the project at
27 the time application is made to the authority.]

28 "Energy conversion facilities" means an improvement to
29 industrial, commercial or other facilities which change their
30 fuel consumption capability to a fuel determined by an authority

1 or the financing authority to be more desirable than the fuel
2 used by the occupant of the project at the time application is
3 made to the authority.

4 "Energy producing [activity" means an activity] facilities"
5 means and includes facilities to create, extract, transmit, or
6 store energy or energy producing substances, including, but not
7 limited to coal mine operations, oil and gas operations, solar,
8 nuclear, hydro, or geothermal energy operations, except the
9 production of electrical energy by a utility [activity] entity.

10 "Federal agency" or "Federal Government" means and includes
11 the United States of America, the President of the United States
12 of America, and any department of or corporation, agency or
13 instrumentality heretofore or hereafter created, designated or
14 established by the United States of America.

15 "Financing authority" means the Pennsylvania Economic
16 Development Financing Authority created by section 6.1 of this
17 act.

18 "Financing board" means the governing body of the financing
19 authority.

20 "Governmental body" or "governmental bodies" means the body
21 or board authorized by law to enact ordinances or adopt
22 resolutions for the particular municipality.

23 ["Improvement" and "to improve" mean and include construction
24 and other changes determined by an authority with the approval
25 of the secretary to comport with the purposes of this act.

26 "Industrial development project," "specialized development
27 project," "commercial development project," "development
28 project" or "project" means any pollution control facilities or
29 any combination or part of buildings or facilities occupied or
30 utilized by an industrial, specialized, or commercial enterprise

1 located within or without, or partially within or without, the
2 municipality creating the authority, or existing or hereafter
3 acquired or constructed by the authority pursuant to the terms
4 of this act, including any or all buildings, improvements,
5 additions, extensions, replacements, appurtenances, lands,
6 rights in land, water rights, franchises, machinery, equipment,
7 furnishings, landscaping, utilities, railroad spurs and sidings,
8 wharves, approaches and roadways necessary or desirable in
9 connection therewith or incidental thereto. The term
10 "development project" includes, as well, pollution control
11 facilities occupied or utilized by any utility activity,
12 agricultural activity or any person, partnership, or corporation
13 engaged in the extraction of any mineral coal, natural gas, oil
14 or other natural resources.

15 "Industrial enterprise" means an enterprise other than a
16 specialized enterprise or commercial enterprise which by its
17 nature or size requires substantial capital and which by its
18 nature or size has created or offers a reasonable likelihood of
19 creating substantial employment opportunities. The term
20 "industrial enterprise" may include manufacturing activities and
21 research and development activities, as well as warehouse
22 facilities, distribution facilities, and international, national
23 and regional headquarters facilities. The term "industrial
24 enterprise" also includes activities directly related to tourism
25 and recreational facilities, provided that such activities
26 comprise or are part of a planned or established tourist or
27 recreational complex.

28 "Industrial parks" means land areas acquired (including
29 existing buildings and improvements), and improvements to be
30 placed thereon by a nonprofit development organization in

1 accordance with plans and specifications approved by the
2 secretary as sites for the establishment thereon of two or more
3 industrial, specialized, or commercial development projects.

4 "Investor-developer" means any person, partnership or
5 corporation engaged in the development for use by occupants of
6 one or more development projects and determined by the authority
7 to be financially responsible to assume all obligations
8 prescribed by the authority and this act in the acquisition,
9 development, construction, leasing, sale, operation and
10 financing in whole or in part of a development project.

11 "Manufacturing activity" means the giving of new shapes, new
12 qualities or new combinations to matter by the application of
13 skill and labor thereto through the use of equipment or
14 otherwise.]

15 "Industrial development agency" means those nonprofit
16 corporations or foundations or associations which have been
17 certified as Industrial Development Agencies by the Pennsylvania
18 Industrial Development Authority Board pursuant to the act of
19 May 17, 1956 (1955 P.L.1609, No.537), known as the "Pennsylvania
20 Industrial Development Authority Act."

21 "Industrial facilities" means and includes any property, real
22 or personal, which is used for manufacturing, warehousing,
23 transportation of goods for manufacturing or sale, offices,
24 research and development and other facilities of trades or
25 services which perform activities ancillary to industrial
26 activity.

27 "Interagency project" means any project which meets the
28 definition of "project" under the provisions of the act of March
29 1, 1988 (P.L.82, No.16), known as the "Pennsylvania
30 Infrastructure Investment Authority Act," as now or may

1 hereafter be amended, which has been referred to the financing
2 authority in accordance with section 6.3(a) of this act.

3 "Municipal authority" means an authority organized and
4 existing under the act of May 2, 1945 (P.L.382, No.164), known
5 as the "Municipality Authorities Act of 1945," as now or may
6 hereafter be amended.

7 "Municipality" means any county, city, town, borough or
8 township of the Commonwealth of Pennsylvania, each of which
9 political subdivisions are separate incorporated municipalities
10 of the Commonwealth of Pennsylvania for the purposes of this
11 act.

12 ["Nursing home" means any facility licensed or approved as a
13 nursing home by the Department of Public Welfare or by the
14 Department of Health.

15 "Occupant" means any person, partnership, or corporation
16 engaged in an industrial, commercial or specialized enterprise
17 and determined by the authority to be financially responsible to
18 assume all obligations prescribed by the authority and this act
19 in the lease, sale, and operation of a development project. The
20 term "occupant" shall also mean (i) a financially responsible
21 nonprofit development agency engaged in establishing development
22 projects, whether for single or multiple occupancy for use by
23 any person, partnership, or corporation engaged in any
24 enterprise or (ii) a person, partnership, or corporation engaged
25 in furnishing facilities for confinement or correction of
26 prisoners for use by any municipality.]

27 "Pollution control facilities" means and includes any
28 property, real or personal, which is to be used to abate [or
29 reduce], reduce, remediate or aid in the prevention, control,
30 collection, treatment, disposal or monitoring of noise, air,

1 water or thermal pollution, solid or liquid waste or other
2 pollutants without limitation thereto and may include property
3 or equipment which is to be installed primarily to supplement or
4 to replace existing property or equipment not meeting acceptable
5 pollution control standards or which is to be supplemented or
6 replaced to comply with an order or citation to eliminate
7 pollution issued by any Federal, [State] Commonwealth or local
8 agency having jurisdiction.

9 ["Redevelopment proposal" means a proposal, including a copy
10 of the redevelopment area plan and supporting data submitted for
11 approval to the governing body by an authority, for the
12 development of all or any part of a redevelopment area.

13 "Research and development activity" means an activity for the
14 discovery of new and the refinement of known substances,
15 processes, products, theories and ideas, but shall not include
16 activities directed primarily to the accumulation or analysis of
17 commercial, financial or mercantile data.]

18 "Project" means industrial facilities, commercial facilities,
19 pollution control facilities, energy conversion facilities,
20 energy producing facilities, disaster relief project facilities,
21 public facilities and other facilities or activities which
22 promote any of the public purposes set forth in section 2 or 2.1
23 of this act, including any land, interests in land, easements,
24 appurtenances, improvements, buildings, structures, equipment,
25 furnishings, or other real or personal property, whether
26 tangible or intangible, or interest therein, or any combination
27 thereof. In addition, the project may include working capital
28 and other capital needs for industrial, commercial and other
29 economic or cost savings activities and may consist solely of
30 the financing of operating expenses. The financing of projects

1 may be with tax-exempt bonds or taxable bonds issued pursuant to
2 this act, and may be direct through application of bond proceeds
3 or other funds to pay project costs or indirect through stock
4 purchases or such other means as an authority or the financing
5 authority may approve.

6 "Project applicant" means any individual, public or private
7 corporation, partnership, association, firm, or other entity,
8 whether or not created for the purpose of making a profit, or
9 any Commonwealth agency or any municipality or any municipal
10 authority, which requests an authority or the financing
11 authority to participate in the financing of one or more
12 projects in the manner provided by this act for use by one or
13 more project users.

14 "Project user" means any individual, public or private
15 corporation, partnership, association, firm, municipality,
16 municipal authority, Commonwealth agency or other entity,
17 whether or not created for the purpose of making a profit, which
18 owns, leases or uses all or any part of a project, and may
19 include a project applicant.

20 "Public facility" means any facility owned or leased by a
21 municipality, municipal authority or Commonwealth agency which
22 serves a public purpose including, but not limited to, park
23 facilities, water and sewer facilities, waste treatment
24 facilities, waste disposal facilities, roads and transportation
25 facilities and systems of every kind, public parking facilities,
26 correctional facilities, jails and court facilities, police and
27 firefighting facilities, library facilities, child care
28 facilities, educational facilities and health care facilities.

29 "Secretary" means the Secretary of Commerce of the
30 Commonwealth.

1 ["Specialized enterprise" means an enterprise, other than an
2 industrial enterprise or a commercial enterprise, which by its
3 nature or size requires substantial capital. The term
4 "specialized enterprise" includes, and is expressly limited to,
5 certain transportation and other facilities, nursing homes,
6 industrial parks, facilities for the furnishing by a utility
7 activity of gas or water available on reasonable demand to
8 members of the general public, energy conversion facilities,
9 energy-producing activities, and the construction of rail
10 sidings, spurs, and branch lines.]

11 "Taxable bonds" means bonds or other evidences of
12 indebtedness the interest on which is includable in gross income
13 for Federal income taxation purposes.

14 "Tax-exempt bonds" means bonds or other evidences of
15 indebtedness the interest on which is excludable from gross
16 income for Federal income taxation purposes.

17 "Utility [activity] entity" means any public or private
18 company [or], corporation or other entity engaged primarily in
19 an activity regulated by the Pennsylvania Public Utility
20 Commission.

21 Section 5. Section 4(d) of the act, amended December 16,
22 1982 (P.L.1363, No.312), is amended to read:

23 Section 4. Method of Incorporation; Applicable Elected
24 Representative.--* * *

25 (d) Each of the following elected officials of each of the
26 following respective political subdivisions within [the
27 Commonwealth of Pennsylvania] the Commonwealth is hereby
28 designated and empowered to approve the issuance of bonds to
29 finance the cost of [industrial, specialized and commercial
30 development] projects within or without each such political

1 subdivision and to approve the [construction of industrial,
2 specialized and commercial development] acquisition of projects
3 within each such political subdivision:

4 (1) With respect to any county [or] of any class, the
5 applicable elected representative shall be any county
6 commissioner designated for such purpose by the county
7 commissioners of such county;

8 (2) With respect to any city of any class, the applicable
9 elected representative shall be the mayor of such city or any
10 council member designated by the mayor for such purpose;

11 (3) With respect to any township of the first class, the
12 applicable elected representative shall be any township
13 commissioner designated for such purpose by the township
14 commissioners of such township;

15 (4) With respect to any township of the second class, the
16 applicable elected representative shall be any township
17 supervisor designated for such purpose by the township
18 supervisors of such township;

19 (5) With respect to any borough, the applicable elected
20 representative shall be the president of borough council or any
21 council member designated by the president for such purpose;

22 (6) With respect to any political subdivision which has
23 adopted a charter under the act of April 13, 1972 (P.L.184,
24 No.62), known as the "Home Rule Charter and Optional Plans Law,"
25 the applicable representative designated and empowered to grant
26 the approvals contemplated hereunder shall be the chief elected
27 executive officer designated by the charter of such political
28 subdivision, or, if there is no provision for such executive
29 officer thereunder, the applicable representative shall be any
30 member of the legislative body of such political subdivision

1 designated by such body.

2 Section 6. Section 6 of the act, amended September 1, 1972
3 (Sp.Sess. No.1, P.L.2015, No.2), December 19, 1975 (P.L.576,
4 No.165) and July 10, 1987 (P.L.273, No.48), is amended to read:

5 Section 6. Purposes and Powers; General.--(a) Every
6 industrial and commercial development authority incorporated
7 under this act shall be a public instrumentality of the
8 Commonwealth and a public body corporate and politic, and shall
9 be for the purpose of acquiring, holding, constructing,
10 improving, maintaining, owning, financing and leasing, either in
11 the capacity of lessor or lessee[, industrial, specialized or
12 commercial development projects. In the event of default by an
13 occupant], projects. In the event of a default by a project
14 applicant or a project user, an authority may, in its
15 discretion, do any and all acts necessary or convenient to
16 protect the holders of any bonds issued to establish such
17 project or to maintain and preserve the project pending the
18 remedying of such default or defaults or the obtaining of a new
19 [occupant.] project applicant or project user.

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 (1) To have existence for a term of fifty years and for such
26 further period or periods as may be provided in articles of
27 amendment approved under subsection (e) of section 5.

28 (2) To sue and be sued, implead and be impleaded, complain
29 and defend in all courts.

30 (3) To adopt, use and alter at will, a corporate seal.

1 (4) To acquire, purchase, own, hold, lease as lessee and use
2 any franchise, property, real, personal or mixed, tangible or
3 intangible, or any interest therein necessary or convenient for
4 carrying out the purposes of the authority, and to sell, option,
5 lease as lessor, transfer and dispose of any property or
6 interest therein at any time acquired by it.

7 (5) To acquire by gift, purchase, lease or otherwise, and to
8 construct, improve, maintain and repair projects.

9 (6) To make bylaws for the management and regulation of its
10 affairs.

11 (7) To appoint officers, agents and employees, to prescribe
12 their duties and to fix their compensation.

13 (8) [To enter into acquisition agreements providing for (i)
14 the construction of industrial, specialized, or commercial
15 development projects by either the authority or the occupant;
16 (ii) the financing of industrial, specialized and commercial
17 development projects to be constructed initially by an occupant
18 if prior to the commencement of construction an agreement as to
19 financing is entered into between the authority and the
20 occupant; (iii) the financing of improvements to existing
21 industrial, specialized or commercial development projects if
22 the existing project is owned by the authority or will be
23 conveyed in fee to the authority, free and clear of all
24 encumbrances and without consideration; (iv) the leasing or sale
25 of the industrial, specialized or commercial development
26 projects to the occupants or to an investor-developer as
27 hereinafter provided; and (v) the financing of the activities of
28 investor-developers in any activity set forth in (i), (ii),
29 (iii) or (iv) above.

30 (9) To enter into agreements of lease or sale with occupants

1 or investor-developers providing, inter alia, (i) for the
2 leasing or sale of industrial, specialized and commercial
3 development projects to the occupants or investor-developers for
4 a term of years not to extend beyond the term of existence of
5 the authority; (ii) for a rental or other payments sufficient to
6 amortize the principal, interest and premium, if any, of all
7 bonds and other obligations of the authority incurred to pay the
8 costs of the industrial, specialized or commercial development
9 project to be leased or sold; (iii) for the occupant or
10 investor-developer to pay to the authority or to otherwise
11 assume and pay all other costs of maintaining and operating the
12 project; (iv) provisions, if deemed desirable, that the occupant
13 or investor-developer of a project pursuant to a lease shall
14 have the options to renew such lease or to purchase any or all
15 of such project; (v) for conveyance with or without
16 consideration of any part, or all, of a project to occupants or
17 investor-developers on or before payment of all bonds and other
18 obligations of the authority incurred with respect to such
19 project; and (vi) such other provisions as are customary in such
20 leases or agreements of sale or as may be deemed necessary or
21 convenient by the authority.] To enter into agreements providing
22 for (i) the acquisition of projects by either the authority, the
23 project applicant or the project user; (ii) the financing of
24 projects where acquisition is by a project applicant or a
25 project user; (iii) the financing of improvements to existing
26 projects; and (iv) the leasing or sale of projects to, or the
27 loan financing of projects for, the project users or project
28 applicants as provided in this act.

29 (9) To enter into agreements of lease, sale or loan
30 financing with project users or project applicants providing,

1 inter alia, (i) for the leasing or sale of projects to, or the
2 loan financing of projects for, the project users or project
3 applicants for a term of years not to extend beyond the term of
4 existence of authority; (ii) for a rental, purchase price, loan
5 or other payments sufficient to amortize the principal, interest
6 and premium, if any, of all bonds and other obligations of the
7 authority incurred to provide funds to pay the costs of the
8 project to be leased, sold or otherwise financed; (iii) for the
9 project user or project applicant to pay to the authority or to
10 otherwise assume and pay all other costs of acquiring,
11 constructing, maintaining and operating the project; (iv)
12 provisions, if deemed desirable, that the project user or
13 project applicant of a project pursuant to a lease shall have
14 the options to renew such lease or to purchase any or all of
15 such project; (v) for conveyance with or without consideration
16 of any part, or all, of a project to the project user or project
17 applicant on or before payment of all bonds and other
18 obligations of the authority incurred with respect to such
19 project; and (vi) such other provisions as are customary in such
20 leases, agreements of sale or loan agreements or as may be
21 deemed necessary or convenient by the authority.

22 (10) To borrow money, make and issue bonds of the authority,
23 [said bonds to have a maturity date not longer than forty years
24 from the date of issue:] Provided, That no bonds shall have a
25 maturity date later than the life of the authority, and to
26 secure the payment of such bonds or any part thereof by pledge,
27 mortgage or deed of trust of all or any part of its property and
28 of its revenues and receipts, and to make such agreements with
29 the purchasers or holders of such bonds, or with others in
30 connection with any such bonds, whether issued or to be issued,

1 as the authority shall deem advisable, and in general to provide
2 for the security for said bonds by mortgage, pledge or otherwise
3 and for the rights of the holders thereof.

4 (11) To make contracts of every name and nature and to
5 execute all instruments necessary or convenient for the carrying
6 on of its business.

7 (12) Without limitation of the foregoing, to borrow money
8 and accept grants and other funds from and to enter into
9 contracts, leases or other transactions with any Federal agency,
10 the Commonwealth of Pennsylvania or its agencies or
11 instrumentalities, or with any municipality, school district,
12 bank or other financial institution, corporation or other
13 authority.

14 (13) To pledge, mortgage, hypothecate or otherwise encumber
15 all or any part of the property, real or personal, including but
16 not limited to the revenues or receipts of the authority as
17 security for all or any of the obligations of the authority.

18 (14) To make loans to project applicants or project users,
19 and to provide or issue alternative types of financing,
20 including, but not limited to, standby loan commitments,
21 guarantees, letters of credit and grants.

22 [(14)] (15) To do all acts and things necessary or
23 convenient for the promotion of its business and the general
24 welfare of the authority, to carry out and exercise the purpose
25 of and the powers granted [to it] by this act or any other acts.

26 [(15) An authority created hereunder may sponsor disaster
27 relief projects pursuant to the provisions of this act.

28 (16) Recognizing the necessity for enterprises to
29 immediately commence rehabilitation work and pollution control
30 facilities, no disaster relief project or project consisting of

1 pollution control facilities shall be rejected by the Secretary
2 of Commerce or be otherwise disqualified under this act on the
3 grounds that the project has commenced or has been completed,
4 provided that in respect to a disaster relief project an
5 application for approval by the secretary is submitted to the
6 Department of Commerce within six months after the county in
7 which the project is or will be located has been designated as a
8 disaster area by the President of the United States.]

9 (c) An authority created hereunder shall have no power at
10 any time or in any manner to pledge the general credit or taxing
11 power of the Commonwealth [of Pennsylvania or] nor shall any
12 authority created hereunder have the power at any time to pledge
13 the general credit or taxing power of any political subdivision
14 except, however, to the extent a project applicant pledges any
15 such credit or taxing power to an authority with respect to a
16 public project, and the obligations of the authority shall be
17 limited as provided in section 7(a) hereof. The bonds of the
18 authority shall on the face thereof clearly set forth the
19 foregoing limitation.

20 (d) An authority created under section 4 of this act shall
21 have no power to:

22 [(1) Construct or finance or aid in the construction or
23 financing of an industrial, specialized, or commercial
24 development project which shall cause the removal of a
25 manufacturing, industrial, specialized, commercial enterprise,
26 plant, facility or establishment from one area of the
27 Commonwealth of Pennsylvania to another area of the
28 Commonwealth.

29 (2) Acquire existing industrial, specialized, or commercial
30 development projects under circumstances which would be

1 primarily for the purpose of directly or indirectly refinancing
2 the obligations of or providing working capital or other funds
3 for any industrial, specialized, or commercial enterprise or any
4 parent, subsidiary, affiliate or shareholder thereof, which
5 enterprise, or any parent, subsidiary, affiliate or shareholder
6 thereof, would thereafter continue to occupy or utilize said
7 project; however, this limitation shall not apply to refinancing
8 in order to improve an existing project now financed by the
9 authority or by any authority or nonprofit corporation
10 heretofore recognized as agency or an instrumentality of the
11 Commonwealth or any municipality thereof.

12 (3) Enter into any agreement to finance the acquisition or
13 construction of an industrial development project in excess of
14 the cost of the project.

15 (4) Finance machinery or equipment except in conjunction
16 with the construction of a new, or the improvement of an
17 existing industrial, specialized, or commercial development
18 project, but such prohibition shall not relate to the financing
19 of pollution control facilities; or

20 (5) Engage in business, trade or commerce for a profit as
21 lessee of a project, or otherwise.]

22 (1) Acquire or finance the acquisition of a project which
23 shall cause the removal of a plant, facility or other business
24 from one area of this Commonwealth to another area of this
25 Commonwealth, unless the secretary has found that relocation of
26 the plant, facility or other business is necessary in order for
27 the plant, facility or other business to remain competitive or
28 to prevent the plant, facility or other business from leaving
29 this Commonwealth.

30 (2) Enter into any agreement to finance the acquisition of a

1 project in excess of the cost of the project.

2 (3) Engage in business, trade or commerce for a profit as an
3 owner or lessee of a project, or otherwise.

4 (4) Finance any project which will be used in whole or in
5 part for illegal activities.

6 (5) Finance any project which is not located within this
7 Commonwealth.

8 Section 7. Sections 6.2, 6.3, 6.4 and 6.5 of the act, added
9 July 10, 1987 (P.L.273, No.48), are amended to read:

10 Section 6.2. Powers of the Financing Authority; General.--
11 The financing authority, as a public corporation and
12 governmental instrumentality exercising public powers of the
13 Commonwealth, is hereby granted and shall have and may exercise
14 all powers necessary or appropriate to carry out and effectuate
15 the purposes of this act, including, but not limited to, the
16 following powers:

17 (1) To have existence until its existence shall be
18 terminated by law.

19 (2) To sue and be sued, implead and be impleaded, complain
20 and defend in all courts.

21 (3) To adopt, use and alter at will a corporate seal.

22 (4) To make bylaws for the management and regulations of its
23 internal affairs, and, subject to agreements with holders of its
24 bonds, to make rules and regulations with respect to its
25 operations, properties and facilities.

26 (5) To appoint an executive director and any other officers,
27 agents, and employes as it may require for the performance of
28 its duties, and to prescribe their duties, fix their
29 compensation, promote and discharge them within the limitations
30 provided by law.

1 (6) To enter into financing agreements with project
2 applicants and project users providing, among other things: (i)
3 for loan, lease or sale financing or other financing of projects
4 for project applicants or project users; (ii) for loan, rental
5 or purchase price payments or other payments sufficient to
6 amortize the principal, interest and premium, if any, of all
7 bonds and other obligations of the financing authority incurred
8 to provide funds to pay the costs of the projects to be
9 financed; (iii) for the project applicants or project users to
10 pay or cause to be paid all other costs of acquiring,
11 constructing, maintaining and operating the projects; (iv) for
12 conveyance with or without consideration of any part, or all, of
13 a project to the project user or project applicant on or before
14 payment of all bonds and other obligations of the financing
15 authority incurred with respect to such project; and (v) for
16 such other matters as are customary in such agreements or as may
17 be deemed necessary or appropriate by the financing authority;
18 and to make contracts of every name and nature, and to execute
19 all instruments necessary or convenient for the carrying on of
20 its business.

21 (7) To borrow money and issue bonds and other evidences of
22 indebtedness created thereby, to secure the payment of such
23 bonds or other evidences of the indebtedness or any part thereof
24 by pledge, mortgage or assignment of all or any part of the
25 [mortgages] property of the financing authority, its revenues
26 and receipts therefrom or its revenues generally, and to provide
27 for the rights of the lenders and holders thereof in accordance
28 with the provisions of this act.

29 (8) [To sell] To acquire and sell loans, mortgages and
30 security interests at public or private sale, to negotiate

1 modifications or alterations in [mortgage] mortgages and
2 security interests, to foreclose on any mortgage or security
3 interest in default or commence any action to protect or enforce
4 any right conferred upon it by any law, mortgage, security
5 agreement, contract or other agreement, to bid for and purchase
6 property which was the subject of such mortgage or security
7 interest at any foreclosure or at any other sale, to acquire or
8 take possession of any such property, and to exercise any and
9 all rights as provided by law for the benefit or protection of
10 the financing authority or mortgage or security interest
11 holders.

12 (9) To collect fees and charges in connection with its loan
13 commitments and servicing, including, but not limited to,
14 reimbursement of costs of financing as the financing authority
15 shall determine to be reasonable and as shall be approved by the
16 financing authority.

17 (10) To make and execute contracts for the servicing of
18 loans and mortgages acquired by the financing authority pursuant
19 to this act, and to pay the reasonable value of services
20 rendered to the financing authority pursuant to those contracts.

21 (11) To accept gifts, grants, loans and other aid from the
22 Federal Government, the Commonwealth or any political
23 subdivision of the Commonwealth, or any person or corporation,
24 foundation or legal entity, and to agree to and comply with any
25 conditions attached to Federal and [State] Commonwealth
26 financial assistance not inconsistent with the provisions of
27 this act.

28 (12) To invest moneys of the financing authority not
29 required for immediate use, including proceeds from the sale of
30 any bonds, in such manner as the financing board shall

determine, subject to any agreement with bondholders stated in the authorizing resolution providing for the issuance of bonds.

(13) To procure insurance against any loss in connection with its programs, property and other assets.

(14) To engage the services of attorneys, accountants and financial experts and any other advisors, consultants and agents as may be necessary in its judgment, and to fix their compensation.

(15) Subject to any agreement with holders of its bonds, to obtain as security for payment of all or any part of the principal of and interest and premium on the bonds, lines of credit and letters of credit in any amounts and upon any terms as the bank may determine, and to pay any fees and expenses required in connection therewith.

(16) To contract for the services of attorneys, accountants and financial experts and any other advisors, consultants and agents as may be necessary in its judgment, subject to the requirement that the chairman shall ensure that minority-owned or minority-controlled firms shall have an opportunity to participate to a significant degree in the provision of any contractual services purchased by the authority.

(17) To make loans to project applicants and project users and to provide or issue alternative types of financing including, but not limited to, standby loan commitments, guarantees, and letters of credit.

(18) To enter into agreements providing for the acquisition of projects comprising or including public facilities for financing purposes only.

[(16)] (19) To adopt rules and regulations containing such restrictions as it may deem necessary or appropriate to

1 effectuate the public purposes of this act.

2 (20) To finance all or part of an interagency project which
3 meets the requirements of section 6.3(a) of this act.

4 ~~[(17)]~~ (21) To do any act necessary or convenient to the
5 exercise of the foregoing powers or reasonably implied
6 therefrom.

7 Section 6.3. Financing Authority Indebtedness.--(a) The
8 financing authority shall have the power and is hereby
9 authorized to issue its limited obligation revenue bonds [as in
10 the judgment of the financing authority shall be necessary to
11 provide sufficient funds for any series of related or unrelated
12 projects authorized by an industrial and commercial development
13 authority or a group of industrial and commercial development
14 authorities for qualified industrial development projects. The
15 financing authority is authorized and empowered to use the
16 proceeds of any bonds issued for the making of loans, purchasing
17 mortgages, security interests, or loan participations and paying
18 all incidental expenses in connection therewith, paying expenses
19 of authorizing and issuing the bonds, paying interest on the
20 bonds until revenues thereof are available in sufficient
21 amounts, and funding such reserves as the financing authority
22 deems necessary and desirable. It is the intention of this
23 section to provide an alternative source of financing for
24 industrial and commercial development authorities.] and other
25 types of financing as in the judgment of the financing authority
26 shall be necessary to provide sufficient funds for any related
27 or unrelated projects; (i) provided that the issuance by the
28 financing authority of taxable or tax-exempt bonds on behalf of
29 projects comprising industrial facilities, commercial
30 facilities, pollution control facilities, energy conversion

1 facilities, energy producing facilities, and disaster relief
2 project facilities, shall have been authorized by an industrial
3 and commercial development authority or a group of industrial
4 and commercial development authorities or by an industrial
5 development agency or a group of industrial and development
6 agencies; (ii) further provided that the financing authority may
7 issue taxable or tax-exempt bonds on behalf of interagency
8 projects only if the applicant has first applied to the
9 Pennsylvania Infrastructure Investment Authority for financing
10 under the provisions of the act of March 1, 1988 (P.L.82,
11 No.16), known as the "Pennsylvania Infrastructure Investment
12 Authority Act," and the Pennsylvania Infrastructure Investment
13 Authority in writing refers the applicant to the financing
14 authority to finance all or part of the interagency project in
15 accordance with this act; and (iii) further provided that the
16 issuance by the financing authority of taxable or tax-exempt
17 bonds for a public facility other than an interagency project <—
18 shall have been authorized by a municipality, municipal
19 authority or Commonwealth agency. The financing authority is
20 authorized and empowered to use the proceeds of any bonds issued
21 for the making of loans, purchasing loans, mortgages, security
22 interests, or loan participations and paying all incidental
23 expenses in connection therewith, paying expenses of authorizing
24 and issuing the bonds, paying interest on the bonds until
25 revenues thereof are available in sufficient amounts, and
26 funding such reserves as the financing authority deems necessary
27 and desirable. PENNVEST PROJECTS AND PROJECTS FOR ROADS AND <—
28 TRANSPORTATION FACILITIES AND TRANSPORTATION SYSTEMS OF EVERY
29 KIND SHALL HAVE BEEN AUTHORIZED BY A MUNICIPALITY, MUNICIPAL
30 AUTHORITY OR COMMONWEALTH AGENCY AND ONLY IF BOTH THE APPLICANT

1 AND THE FINANCING AUTHORITY HAVE DETERMINED THAT THE COST OF
2 OBTAINING THE FINANCING FOR THE PUBLIC FACILITY WILL BE REDUCED
3 THROUGH THE ISSUANCE OF BONDS THROUGH THE FINANCING AUTHORITY.
4 FOR PURPOSES OF THE DETERMINATION REQUIRED IN THIS SUBSECTION,
5 ANY FINANCING FOR A PUBLIC FACILITY THAT THE FINANCING AUTHORITY
6 REASONABLY BELIEVES COULD HAVE RECEIVED A RATING OF "A" OR
7 BETTER FROM EITHER MOODY'S INVESTORS SERVICE OR STANDARD &
8 POOR'S CORPORATION SHALL BE PRESUMED NOT TO BE ELIGIBLE FOR
9 FINANCING BY THE FINANCING AUTHORITY. THE FINANCING AUTHORITY IS
10 AUTHORIZED AND EMPOWERED TO USE THE PROCEEDS OF ANY BONDS ISSUED
11 FOR THE MAKING OF LOANS, PURCHASING LOANS, MORTGAGES, SECURITY
12 INTERESTS OR LOAN PARTICIPATIONS AND PAYING ALL INCIDENTAL
13 EXPENSES IN CONNECTION THEREWITH, PAYING EXPENSES OF AUTHORIZING
14 AND ISSUING THE BONDS, PAYING INTEREST ON THE BONDS UNTIL
15 REVENUES THEREOF ARE AVAILABLE IN SUFFICIENT AMOUNTS, AND
16 FUNDING THE RESERVES AS THE FINANCING AUTHORITY DEEMS NECESSARY
17 AND DESIRABLE.

18 (b) The financing authority, whenever it deems it expedient,
19 shall have the power to refund [or renew] any bonds previously
20 issued by the financing authority or any other entity by the
21 issuance of new bonds whether the bonds to be refunded [or
22 renewed] have or have not matured. Refunding bonds shall be sold
23 and the proceeds applied to the purchase, redemption or payment
24 of the bonds to be refunded, the establishment or increase in
25 reserves to secure or to pay the bonds or interest thereon and
26 all other costs or expenses of the financing authority incident
27 to and necessary to carry out the refunding [or renewing] of
28 bonds.

29 (c) Bonds issued under this section shall not be a debt or
30 liability of the Commonwealth [of Pennsylvania or of any of its

1 political subdivisions other than the financing authority and
2 shall not create or constitute any indebtedness, liability or
3 obligation of the Commonwealth or of any political subdivision,
4 but all bonds shall be payable solely from revenues or funds
5 pledged or available for their payment as authorized in this
6 section, including the proceeds of any issue of bonds.] and
7 shall not create or constitute any indebtedness, liability or
8 obligation of the Commonwealth. All bonds shall be payable
9 solely from revenues or funds pledged or available for their
10 repayment as authorized in this act, including the proceeds of
11 any issue of bonds and, in the case of a public project, the
12 pledge of fees, taxes and other revenues by a political
13 subdivision or other instrumentality of the Commonwealth. Each
14 bond shall contain on its face a statement to the effect that
15 the financing authority is obligated to pay the principal
16 thereof or the interest thereon only from its revenues, receipts
17 or funds pledged or available for their payment as authorized in
18 this act, and that neither the Commonwealth nor any political
19 subdivisions are obligated to pay the principal or interest, and
20 that neither the faith and credit nor the taxing power of the
21 Commonwealth nor any political subdivision is pledged to the
22 payment of the principal of or the interest on the bonds.

23 (d) If the bonds issued by the financing authority are
24 [exempt from Federal income taxes under Federal law,] tax-exempt
25 bonds for which Federal law requires an allocation the
26 Department of Commerce shall issue an allocation charging such
27 small issue project's pro rata share of the issue to the county
28 in which said project is to be located provided that the project
29 requires a type of allocation distributed by the department to
30 the counties.

1 (e) When gubernatorial approval is required by the
2 provisions of Federal or [State] Commonwealth law, the Governor
3 [of the Commonwealth] is hereby authorized to approve the
4 issuance of bonds by the financing authority upon receipt of
5 written request for approval from the financing board. Such
6 written request shall state that the financing authority has
7 conducted a public hearing, pursuant to appropriate public
8 notice, concerning the purposes for which the bonds are to be
9 issued, shall contain a description of the project or projects
10 and shall describe the method of financing the project or
11 projects. The written request shall also summarize the comments
12 made and questions posed at the public hearing.

13 (f) Neither the members of the board of the financing
14 authority nor any person executing the bonds shall be liable
15 personally on the bonds or be subject to any personal liability
16 or accountability by reason of the issuance thereof.

17 (g) (1) Bonds issued in accordance herewith shall be
18 authorized by resolution of the financing authority. The bonds
19 shall be of such series, bear any date or dates, mature at such
20 time or times, [not exceeding thirty years from their respective
21 dates,] bear interest at any rate or rates or at variable rates,
22 be of any denomination or denominations, be in any form, either
23 coupon or registered, carry any conversion or registration
24 privileges, have any rank or priority, be executed in any
25 manner, be payable from such sources in any medium of payment at
26 any place or places and at any time or times within or without
27 this Commonwealth and be subject to any terms of redemption,
28 purchase or tender by the financing authority or the holders
29 thereof, with or without premium, as the resolution or
30 resolutions may provide.

1 (2) The bonds shall be signed by or shall bear the facsimile
2 signature of such officers as the financing authority shall
3 determine, and coupon bonds shall have attached thereto [in]
4 interest coupons bearing the facsimile signature of the chairman
5 of the financing authority, all as may be prescribed in such
6 resolution or resolutions.

7 (3) Bonds may be issued and delivered, notwithstanding that
8 one or more of the officers signing such bonds shall have ceased
9 to be such officer or officers at the time when such bonds shall
10 actually be delivered.

11 (4) Bonds may be sold at public or private sales for such
12 price or prices as the financing authority shall determine[.],
13 subject to the requirement that the chairman shall ensure that
14 minority-owned or minority-controlled firms shall have an
15 opportunity to participate to a significant degree in any bond
16 sale activities. Pending the preparation of the definitive
17 bonds, interim receipts may be issued to the purchaser or
18 purchasers thereof and may contain such terms and conditions as
19 the financing authority may determine.

20 (5) Any bond reciting in substance that it has been issued
21 by the financing authority to aid in the financing of one or
22 more projects to accomplish the public purposes of this act
23 shall be conclusively deemed in proceedings involving the
24 validity or enforceability of such bond or security therefor, to
25 have been issued for such purpose.

26 (h) Any resolution or resolutions authorizing any bonds may
27 contain provisions which shall be part of the contract with
28 holders thereof, [as] to:

29 (1) Secure the bonds.

30 (2) Make covenants against pledging all or part of its

1 revenues or receipts to other parties.

2 (3) Make covenants limiting its right to sell, pledge or
3 otherwise dispose of notes and bonds of governmental units, loan
4 agreements of public or private persons or entities or other
5 property of any kind.

6 (4) Make covenants as to additional bonds to be issued, the
7 limitations thereon, the terms and conditions thereof, and the
8 custody, application, investment and disposition of the proceeds
9 thereof.

10 (5) Make covenants as to the incurring of other debts by it.

11 (6) Make covenants as to the payment of principal of or
12 interest on bonds, the sources and methods of the payment, the
13 rank or priority of bonds with respect to liens or security
14 interests or the acceleration of maturity of bonds.

15 (7) Provide for replacement of lost, stolen, destroyed or
16 mutilated bonds.

17 (8) Make covenants as to the redemption, purchase or tender
18 of bonds by the financing authority or the holders thereof and
19 the privileges of exchanging them for other bonds.

20 (9) Make covenants to create or authorize the creation of
21 special funds or accounts to be held in trust or otherwise for
22 the benefit of holders of bonds, or of reserves for other
23 purposes and as to the use, investment and disposition of moneys
24 held in those funds, accounts or reserves.

25 (10) Provide for the rights, liabilities, powers and duties
26 arising upon the breach of a covenant, condition or obligation,
27 and prescribe the events of default and the terms and conditions
28 upon which any or all of the bonds shall become or may be
29 declared due and payable before maturity and the terms and
30 conditions upon which the declaration and its consequences may

1 be waived.

2 (11) Vest in a trustee or trustees within or without this
3 Commonwealth in trust any property, rights, powers and duties as
4 the financing authority may determine. These may include any or
5 all of the rights, powers and duties of any trustee appointed by
6 the holders of bonds or notes, including rights with respect to
7 the sale or other disposition of notes and bonds of governmental
8 units and other instruments and security pledged pursuant to a
9 resolution or trust indenture for the benefit of the holders of
10 bonds and the right by suit or action to foreclose any mortgage
11 pledged pursuant to the resolution [of] or trust indenture for
12 the benefit of the holders of the bonds, notes or other
13 obligations, and to limit the right of the holders of any bonds
14 to appoint a trustee under this act, and to limit the rights,
15 powers and duties of the trustee.

16 (12) Pay the costs or expenses incident to the enforcement
17 of the bonds or of the provisions of the resolution authorizing
18 the issuance of those bonds, or the trust indenture securing the
19 bonds or of any covenant or agreement of the financing authority
20 with the holders of the bonds, notes or other obligations.

21 (13) Limit the rights of the holders of any bonds to enforce
22 any pledge or covenant securing bonds.

23 (14) Make covenants other than or in addition to the
24 covenants authorized by this act of like or different character,
25 and make covenants to do or refrain from doing any acts and
26 things as may be necessary, or convenient and desirable, in
27 order to better secure bonds or which, in the absolute
28 discretion of the financing authority, will tend to make bonds
29 more marketable, notwithstanding that the covenants, acts or
30 things may not be enumerated herein.

1 (i) A pledge of revenues, receipts, moneys, funds or other
2 property or instruments made by the financing authority shall be
3 valid and binding from the time when the pledge is made. The
4 revenues, receipts, moneys, funds or other property pledged and
5 thereafter received by the financing authority shall be
6 immediately subject to the lien of the pledge without its
7 physical delivery or further act, and the lien of any pledge
8 shall be valid and binding as against all parties having claims
9 of any kind in tort, contract or otherwise against the financing
10 authority irrespective of whether the parties have notice of the
11 lien. [Neither the resolution nor any other] No instrument by
12 which a pledge under this section is created [or evidence],
13 evidenced or noticed need be filed or recorded except in the
14 records of the financing authority.

15 (j) Whether or not the bonds are of a form and character as
16 to be negotiable instruments under the terms of Title 13 of the
17 Pennsylvania Consolidated Statutes (relating to commercial
18 code), the bonds are made negotiable instruments within the
19 meaning of and for the purposes of Title 13, subject only to the
20 provisions of the bonds for registration.

21 (k) The rights and remedies herein conferred upon or granted
22 to the bondholders shall be in addition to and not in limitation
23 of any rights and remedies lawfully granted to such bondholders
24 by the resolution or resolutions providing for the issuance of
25 bonds or by any indenture or other agreement under which the
26 same may be issued.

27 Section 6.4. Financing Authority Loans.--(a) [No loan shall
28 be made by the financing authority unless:

29 (1) The industrial and commercial development authority has
30 obtained firm commitments satisfactory to the financing

1 authority from responsible financial sources, which may include
2 a Federal agency, beneficial owner or the project occupant, for
3 the portion of project costs in excess of any loan requested
4 from the financing authority;

5 (2) The industrial and commercial development authority has
6 obtained a firm commitment satisfactory to the financing
7 authority from the project occupant or beneficial owner to lease
8 or use the project after construction, acquisition,
9 rehabilitation or improvement is completed;

10 (3) The financing authority approves the terms of such lease
11 or use and is satisfied that the project occupant or a business
12 enterprise may reasonably be expected to comply with the terms
13 thereof; and

14 (4) The project has received all approvals required under
15 this act and complies with any rules and regulations of the
16 financing authority.

17 (b) In addition to other provisions of this section limiting
18 the power of the financing authority to make loans to industrial
19 and commercial development authorities, in respect to a
20 particular project, the following restrictions shall also apply:

21 (1) No funds of the financing authority shall be used in
22 respect of any project if the financing authority would be
23 required to operate, service or maintain the project pursuant to
24 any lease or other agreement except upon foreclosure or except
25 upon the occurrence of a default in the payment or terms of any
26 loan made. Nothing shall prevent the financing authority from
27 transferring such property to the project occupant or its
28 designee at the end of the term of such financing.

29 (2) No provisions of this act shall prevent the inclusion in
30 a mortgage, lease or other agreement relating to an assisted

1 project of a provision granting the project occupant the right
2 to purchase such project upon such terms and conditions as the
3 financing authority may approve.] The financing authority shall
4 ascertain to its satisfaction that:

5 (1) Firm commitments satisfactory to the financing authority
6 have been obtained from responsible financial sources, which may
7 include a Federal agency, project applicant or the project user,
8 for the portion of project costs in excess of any loan requested
9 from the financing authority.

10 (2) A firm commitment satisfactory to the financing
11 authority from the project applicant or project user has been
12 obtained to lease or use the project after acquisition is
13 completed.

14 (3) The project user may reasonably be expected to comply
15 with the terms of such lease or use.

16 (4) The project complies with all rules and regulations of
17 the financing authority, if any.

18 (b) In addition to other provisions of this section limiting
19 the power of the financing authority to make loans in respect to
20 a particular project, no funds of the financing authority shall
21 be used in respect of any project if the financing authority
22 would be required to operate, service or maintain the project
23 pursuant to any lease or other agreement except upon foreclosure
24 or except upon the occurrence of a default in the payment or
25 terms of any loan made. Nothing shall prevent the financing
26 authority from transferring such property to the project
27 applicant, project user or either of their designees at the end
28 of the term of such financing.

29 Section 6.5. Industrial and Commercial Development
30 Authorities.--To be eligible for loans from the financing

1 authority, an industrial and commercial development authority or
2 industrial development agency shall meet the following
3 requirements in addition to any others imposed by the provisions
4 of this act:

5 (1) The industrial and commercial development authority or
6 industrial development agency shall be incorporated.

7 (2) The industrial and commercial development authority or
8 industrial development agency shall agree to be bound by the
9 rules and regulations of the financing authority relating to
10 assisted projects and the operations of industrial and
11 commercial development authorities or as may be applicable,
12 industrial development agencies and shall submit to examination
13 of its books of accounts and corporate records by the financing
14 authority at such times as the financing authority may require
15 during the term of any loan made to it by the financing
16 authority.

17 (3) The provisions of the act of December 20, 1985 (P.L.483,
18 No.113), known as the "Tax-Exempt Bond Allocation Act," shall
19 not apply to restrict the powers of the financing authority
20 under section 6.2 of this act or the powers of any local
21 industrial and commercial development authority [or the
22 Secretary of Commerce] under this act with respect to any
23 [economic development] project being financed out of the
24 proceeds of obligations which are not exempt from Federal income
25 taxation.

26 Section 8. Section 7 of the act, amended December 29, 1971
27 (P.L.647, No.171), December 29, 1972 (P.L.1675, No.359) and
28 December 19, 1975 (P.L.576, No.165), is amended to read:

29 Section 7. Purposes and Powers; Bonds.--(a) An authority
30 shall have the power to issue bonds for any of its corporate

1 purposes, provided, however, the principal, interest and other
2 charges thereon are payable solely and exclusively (i) from
3 revenues received from the project applicant or project user or
4 from the income, revenues and property of the project financed,
5 in whole or in part, with the proceeds of such bonds; (ii) from
6 the income and revenues of certain designated projects whether
7 or not they were financed, in whole or in part, with the
8 proceeds of such bonds; or (iii) from its revenues generally.

9 (b) The bonds of any authority shall be authorized by
10 resolution of the board thereof, shall be of such series, bear
11 such date or dates, mature at such time or times, [not exceeding
12 forty years from their respective date,] bear interest at such
13 rate or rates, [payable at least semi-annually,] be in such
14 denominations, be in such form, either coupon or fully
15 registered without coupons, carry such registration,
16 exchangeability and interchangeability privileges, be payable in
17 any medium of payment and at such place or places and at such
18 time or times, be subject to such terms of redemption, with or
19 without premium, and be entitled to such priorities in the
20 revenues or receipts of such authority as such resolution or
21 resolutions may provide. The bonds shall be signed by or shall
22 bear the facsimile signature of such officers as the authority
23 shall determine, and coupon bonds shall have attached thereto
24 interest coupons bearing the facsimile signature of the
25 treasurer of the authority, all as may be prescribed in such
26 resolution or resolutions. Any such bonds may be issued and
27 delivered, notwithstanding that one or more of the officers
28 signing such bonds or the treasurer whose facsimile signature
29 shall be upon the coupon, shall have ceased to be such officer
30 or officers at the time when such bonds shall actually be

1 delivered. Said bonds may be sold at public or private sale for
2 such price or prices as the authority shall determine. Pending
3 the preparation of the definitive bonds, interim receipts may be
4 issued to the purchaser or purchasers of such bonds, and may
5 contain such terms and conditions as the authority may
6 determine. Any bond reciting in substance that it has been
7 issued by an authority to aid in the financing of a project to
8 accomplish the public purposes of this act shall be conclusively
9 deemed in proceedings involving the validity or enforceability
10 of such bond or security therefor, to have been issued for such
11 purpose.

12 (c) Any resolution or resolutions authorizing any bonds may
13 contain provisions which shall be part of the contract with the
14 holders thereof, as to (i) pledging the full faith and credit of
15 the authority (but not of the Commonwealth of Pennsylvania or
16 any political subdivision thereof) for such obligations, or
17 restricting the same to all or any of the assets or to all or
18 any of the revenues or receipts of the authority from all or any
19 projects or properties; (ii) the [construction, improvement,
20 operation, extension, enlargement, maintenance and repair]
21 acquisition of the project and the duties of the authority and
22 the [occupant] project applicant or project user with reference
23 thereto; (iii) the terms and provisions of the bonds; (iv)
24 limitations on the purposes to which the proceeds of the bonds
25 then or thereafter to be issued, or of any loan or grant by a
26 Federal agency may be applied; (v) the rentals and other charges
27 for use [of] or sale of, or loan payments for the financing of,
28 the project; (vi) the setting aside of reserves or sinking funds
29 and the regulation and disposition thereof; (vii) limitations on
30 the issuance of additional bonds; (viii) the terms and

1 provisions of any deed of trust, mortgage or indenture securing
2 the bonds, or under which the same may be issued, and (ix) any
3 other or additional agreements with the holders of the bonds.

4 (d) Any authority may enter into any deeds of trust,
5 indentures, mortgages, or other agreements, with any bank or
6 trust company, including any Federal agency, as security for
7 such bonds, and may assign and pledge the assets or all or any
8 of the revenues or receipts of the authority thereunder. Such
9 deed of trust, indenture, mortgage or other agreement, may
10 contain such provisions as may be customary in such instruments,
11 or as the authority may authorize, including (but without
12 limitation) provisions as to (i) the [construction, improvement,
13 operation, maintenance and repair of any project, and the duties
14 of the authority and the industrial or commercial occupant]
15 acquisition of any project and the duties of the authority and
16 the project applicant or project user with reference thereto;
17 (ii) the application of funds and the safeguarding of funds on
18 hand or on deposit; and (iii) the rights and remedies of the
19 trustee and the holders of the bonds, (which may include
20 restrictions upon the individual right of action or such
21 bondholders); and (iv) the terms and provisions of the bonds or
22 the resolutions authorizing the issuance of the same.

23 [(e) Said bonds shall have all the qualities of negotiable
24 instruments under the law merchant and the Uniform Commercial
25 Code of the Commonwealth of Pennsylvania.

26 (f) No bonds shall be issued and sold and the construction
27 of a project shall not be commenced until the proceedings to be
28 undertaken in respect of the issuance and sale of the bonds and
29 the construction of the project have been first approved by the
30 secretary: Provided, That construction of disaster relief

1 projects and projects consisting of pollution control facilities
2 may be commenced prior to the approval of the secretary: And
3 provided further, That in respect to disaster relief projects,
4 an application for approval in respect thereof is submitted to
5 the secretary within six months after the county in which the
6 project is or will be located has been designated as a disaster
7 area by the President of the United States. The chairman of the
8 authority shall cause to be certified under seal of the
9 authority and delivered to the secretary such documents relating
10 to the proceedings as may be necessary and as may be required by
11 the secretary to enable him to determine that:

12 (1) The project does not violate section 6(d) hereof;

13 (2) The lease or agreement of sale is in accordance with
14 section 6(b)(9) hereof;

15 (3) The proceedings are in conformity with this act, and

16 (4) The industrial, specialized, and commercial development
17 project will accomplish the public purposes of this act.

18 If such proceedings are found to be in conformity with this
19 act, the secretary shall within twenty days after receipt
20 thereof approve the same and certify his approval to the
21 authority.

22 If, upon examination, the secretary shall find that such
23 proceedings are not in accordance with this act, he shall
24 disapprove the same and shall within twenty days after receipt
25 thereof certify his disapproval to the authority; thereafter, it
26 shall be unlawful for such authority to issue any bonds upon
27 such proceedings or to commence construction of the project
28 unless the proceedings are corrected and as corrected have been
29 approved by the secretary. If the secretary shall not have
30 approved or disapproved the proceedings within such twenty days

1 the same shall be deemed to have been approved. The decision of
2 the secretary shall be final.

3 (g) The secretary may promulgate such regulations as he may
4 deem necessary to carry out the purposes of this section 7.] No
5 bonds shall be issued and sold until the secretary shall have
6 first determined, based on the application material submitted,
7 that the project and the financing thereof are in apparent
8 conformity with this act and any regulations, statements of
9 policy, guidelines or rulings promulgated pursuant to this act.
10 If the project and financing thereof are found to be in
11 conformity with this act, and any regulations, statements of
12 policy, guidelines and rulings promulgated thereunder, then the
13 secretary shall within twenty days after receipt thereof approve
14 the same and certify his approval to the authority. The decision
15 of the secretary shall be final.

16 (e) A pledge of revenues, receipts, moneys, funds or other
17 property or instruments made by an authority shall be valid and
18 binding from the time when the pledge is made. The revenues,
19 receipts, moneys, funds or other property pledged and thereafter
20 received by an authority shall be immediately subject to the
21 lien of the pledge without the physical delivery of the
22 revenues, receipts, moneys, funds or other property or further
23 act, and the lien of any pledge shall be valid and binding as
24 against all parties having claims of any kind in tort, contract
25 or otherwise against the authority irrespective of whether the
26 parties have notice of the lien. No instrument by which a pledge
27 under this section is created, evidenced or noticed need be
28 filed or recorded except in the records of the authority.

29 (f) Whether or not the bonds are of a form and character as
30 to be negotiable instruments under the terms of 13 Pa.C.S.

1 (relating to commercial code), the bonds are made negotiable
2 instruments within the meaning of and for the purposes of 13
3 Pa.C.S., subject only to the provisions of the bonds for
4 registration.

5 (g) The secretary is authorized to issue rulings pertaining
6 to the interpretation of the provisions of this act, which
7 rulings may be relied upon by an authority or the financing
8 authority. All rulings issued by the secretary shall be
9 published in the Pennsylvania Bulletin. The secretary may
10 promulgate such regulations as he may deem necessary to carry
11 out the purposes of this act.

12 Section 9. Sections 11 and 12 of the act, amended December
13 19, 1975 (P.L.576, No.165), are amended to read:

14 Section 11. Transfer of Existing Facilities to Authority.--
15 Any municipality may, and it is hereby authorized to sell,
16 lease, grant, convey and transfer to any authority, any
17 facilities, or any interest in real or personal property
18 available for [industrial, specialized, or commercial
19 development] projects. This section without reference to any
20 other law, shall be deemed complete, the provisions of other
21 laws to the contrary notwithstanding.

22 Section 12. Competition in Award of Contracts.--(a) All
23 construction, reconstruction, repairs or work of any nature made
24 directly by any authority where the entire cost, value or amount
25 of such construction, reconstruction, repairs or work, including
26 labor and materials, shall exceed [five thousand dollars
27 (\$5,000)] ten thousand dollars (\$10,000), except construction,
28 reconstruction, repairs or work done by employees of said
29 authority, or by labor supplied under agreement with any Federal
30 or State agency, with supplies and materials purchased as

1 hereinafter provided, shall be done only under contract or
2 contracts to be entered into by the authority with the lowest
3 responsible bidder upon proper terms, after due public notice
4 has been given asking for competitive bids as hereinafter
5 provided: Provided, however, That where the authority is the
6 legal title holder to the [industrial, specialized, or
7 commercial development project, and there exists an agreement
8 whereby an occupant or an investor-developer] project, and there
9 exists an agreement whereby a project user or project applicant
10 will or can acquire legal title to the said project under the
11 then certain terms and conditions, contracts for construction,
12 reconstruction, repair, or work of any nature, or purchase of
13 machinery and equipment, may be awarded by the [occupant or the
14 investor-developer] project user or project applicant without
15 regard to the limitations of this section 12: And provided
16 further, however, That for the purposes of this section 12,
17 "construction" or "acquisition" shall not include acquisition of
18 property for [industrial, specialized, or commercial
19 development] project purposes. No contract shall be entered into
20 between an authority and a contractor for construction [or
21 improvement or repair] of any project or portion thereof, unless
22 the contractor shall give an undertaking with a sufficient
23 surety or sureties approved by the authority, and in an amount
24 fixed by the authority, for the faithful performance of the
25 contract. All contracts of surety shall provide among other
26 things that the contractor entering into a contract with the
27 authority will pay for all materials furnished and services
28 rendered for the performance of the contract, and that any
29 person or corporation furnishing such materials or rendering
30 such services may maintain an action to recover for the same

1 against the obligor in the undertaking, as though such person or
2 corporation was named therein, provided the action is brought
3 within one year after the time the cause of action accrued.

4 (b) All supplies and materials costing [two thousand five
5 hundred dollars (\$2500)] ten thousand dollars (\$10,000) or more
6 to be purchased directly by an authority shall be purchased only
7 after due advertisement as hereinafter provided. The authority
8 shall accept the lowest bid or bids, kind, quality and material
9 being equal, but the authority shall have the right to reject
10 any or all bids or select a single item from any bid. The
11 provisions as to bidding shall not apply to the purchase of
12 patented and manufactured products offered for sale in a
13 noncompetitive market or solely by a manufacturer's authorized
14 dealer.

15 (c) The terms "advertisement" or "due public notice"
16 wherever used in this section, shall mean a notice published at
17 least ten days before the award of any contract, in a newspaper
18 of general circulation published in the municipality where the
19 authority has its principal office, and if no newspaper is
20 published therein then by publication in a newspaper in the
21 county where the authority has its principal office: Provided,
22 That such notice may be waived where the authority determines an
23 emergency exists, and such supplies and materials must be
24 immediately purchased by the said authority.

25 (d) No member of the authority or officer or employe thereof
26 shall, either directly or indirectly, be a party to or be in any
27 manner interested in any contract or agreement with the
28 authority for any matter, cause or thing whatsoever by reason
29 whereof any liability or indebtedness shall in any way be
30 created against such authority. If any contract or agreement

1 shall be made in violation of the provisions of this section the
2 same shall be null and void and no action shall be maintained
3 thereon against such authority.

4 (e) Subject to the aforesaid, any authority may (but without
5 intending by this provision to limit any powers of such
6 authority) enter into and carry out such contracts, or establish
7 or comply with such rules and regulations concerning labor and
8 materials and other related matters in connection with any
9 project or portion thereof, as the authority may deem desirable,
10 or as may be requested by any Federal agency that may assist in
11 the financing of such project or any part thereof.

12 (f) The provisions of this section 12 shall not apply in
13 respect of the construction of any project or the purchase of
14 any equipment, materials or supplies which the authority may
15 have had transferred to it upon completion, by purchase or
16 otherwise, by [an occupant] a project applicant or project user
17 or any other person or corporation.

18 (g) Notwithstanding any of the foregoing, all construction,
19 reconstruction, repairs or work of any nature with regard to
20 publicly owned infrastructure facilities, where the entire cost,
21 value or amount of such construction, reconstruction, repairs or
22 work, including labor and materials, shall exceed ten thousand
23 dollars (\$10,000), shall be done only under contract or
24 contracts to be entered into by the authority or the owner of
25 the infrastructure facility, with the lowest responsible bidder
26 upon proper terms, after due public notice has been given asking
27 for competitive bids as set forth in this section or other
28 applicable law.

29 Section 10. Sections 13 and 15 of the act, amended July 10,
30 1987 (P.L.273, No.48), are amended to read:

1 Section 13. Limitation of Powers.--The Commonwealth does
2 hereby pledge to and agree with any person, firm or corporation,
3 or Federal agency subscribing to or acquiring the bonds to be
4 issued by the authority or the financing authority for the
5 [construction, extension, improvement or enlargement]
6 acquisition or financing of any project or part thereof, that
7 the Commonwealth will not limit or alter the rights hereby
8 vested in the authority or the financing authority until all
9 bonds at any time issued, together with the interest thereon are
10 fully met and discharged. The Commonwealth of Pennsylvania does
11 further pledge to and agree with the United States and any other
12 Federal agency that, in the event that any Federal agency shall
13 construct or contribute any funds for the [construction,
14 extension, improvement or enlargement] acquisition or financing
15 of any project or any portion thereof, the Commonwealth will not
16 alter or limit the rights and powers of the authority or the
17 financing authority in any manner which would be inconsistent
18 with the continued maintenance and operation of the project, or
19 the improvement thereof, or which would be inconsistent with the
20 due performance of any agreements between the authority or the
21 financing authority and any such Federal agency, and the
22 authority or the financing authority shall continue to have and
23 may exercise all powers herein granted, so long as the same
24 shall be necessary or desirable for the carrying out of the
25 purposes of this act and the purposes of the United States in
26 the [construction or improvement or enlargement] acquisition or
27 financing of the project or such portion thereof.

28 Section 15. Exemption From Taxation.--The effectuation of
29 the authorized purpose of authorities created under section 4 of
30 this act and the financing authority created under section 6.1

1 of this act shall and will be in all respects for the benefit of
2 the people of the Commonwealth of Pennsylvania, for the increase
3 of their commerce and prosperity, and for the improvement of
4 their health and living conditions; and, since they will as
5 public instrumentalities of the Commonwealth be performing
6 essential governmental functions in effectuating such purposes,
7 authorities and the financing authority shall not be required to
8 pay any taxes or assessments upon any property acquired or used
9 by them for such purposes, and the bonds issued by any authority
10 or by the financing authority, their transfer and the income
11 therefrom[,] (including any profits made on the sale thereof),
12 shall at all times be free from taxation within the Commonwealth
13 of Pennsylvania.

14 Section 11. The act is amended by adding ~~a section~~ SECTIONS <—
15 to read:

16 Section 15.1. Mass Transportation Authority.--The
17 participation of mass transportation authorities is optional
18 subject to the approval of the transportation authority.

19 SECTION 15.2. PROHIBITION.--NO COMMONWEALTH AGENCY UNDER THE <—
20 CONTROL OF THE EXECUTIVE BRANCH SHALL BE A PROJECT APPLICANT
21 UNDER THIS ACT FOR A PUBLIC FACILITIES PROJECT IN EXCESS OF TEN
22 MILLION DOLLARS (\$10,000,000) IF THE PROJECT MIGHT OTHERWISE BE
23 ELIGIBLE FOR INCLUSION IN THE CAPITAL BUDGET, UNLESS THE PROJECT
24 IS FIRST APPROVED BY THE GENERAL ASSEMBLY.

25 Section 12. This act shall not apply to bonds or other
26 evidences of indebtedness issued by an authority or the
27 financing authority prior to the effective date of this act.

28 Section 13. This act shall take effect immediately.