

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2612 Session of
1974

INTRODUCED BY L. E. SMITH, BENNETT, ROMANELLI, SCANLON,
DeVERTER, RAPPAPORT AND DOMBROWSKI, SEPTEMBER 10, 1974

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
SEPTEMBER 10, 1974

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 or commercial development projects
10 including projects for the elimination or prevention of
11 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 or commercial
16 development projects to industrial, commercial, manufacturing
17 or research and development enterprises; authorizing any
18 county, municipality or township to transfer or convey to
19 such authorities, any facilities or property available for
20 industrial or commercial development projects; exempting the
21 property and securities of such authorities from taxation;
22 authorizing such authorities to enter into contracts with and
23 to accept grants from the Federal Government or any agency
24 thereof; and providing for approval by the Secretary of
25 Commerce of the proceedings relating to industrial or
26 commercial development projects of such authorities,"
27 revising the title of the act; defining, further defining,
28 and reordering certain terms; and further providing for
29 purposes and powers.

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

1 Section 1. The title, act of August 23, 1967 (P.L.251,
2 No.102), known as the "Industrial and Commercial Development
3 Authority Act," amended December 29, 1972 (P.L.1675, No.359), is
4 amended to read:

5 AN ACT

6 "An act providing for the incorporation as public
7 instrumentalities of the Commonwealth and as bodies corporate
8 and politic of industrial and commercial development
9 authorities for municipalities, counties and townships;
10 prescribing the rights, powers and duties of such authorities
11 hereafter incorporated; authorizing such authorities to
12 acquire, by gift or purchase, to construct, improve and
13 maintain industrial, specialized, or commercial development
14 projects including projects for the elimination or prevention
15 of blight and the control of air and water pollution, and to
16 borrow money and issue bonds therefor; providing for the
17 payment of such bonds and giving security therefor, and
18 prescribing the rights of the holders of such bonds;
19 authorizing the lease or sale of industrial, specialized, or
20 commercial development projects to industrial, specialized
21 or, commercial [manufacturing or research and development]
22 enterprises; authorizing any county, municipality or township
23 to transfer or convey to such authorities, any facilities or
24 property available for industrial, specialized, or commercial
25 development projects; exempting the property and securities
26 of such authorities from taxation; authorizing such
27 authorities to enter into contracts with and to accept grants
28 from the Federal Government or any agency thereof; and
29 providing for approval by the Secretary of Commerce of the
30 proceedings relating to industrial, specialized, or

1 commercial development projects of such authorities."

2 Section 2. Clauses (3), (5), (6) and (7) of section 2 of the
3 act, amended December 29, 1972 (P.L.1675, No.359), are amended
4 to read:

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

7 * * *

8 (3) That the present and prospective health, safety, morals
9 and general welfare of the people of the Commonwealth require as
10 a public purpose the promotion and development of new, expanded
11 and rehabilitated industrial, commercial manufacturing and
12 research and development [enterprises] activities;

13 * * *

14 (5) That to continue and further the successful program of
15 The Pennsylvania Industrial Development Authority, it is
16 necessary to provide additional means of financing the promotion
17 and development of new, expanded and rehabilitated industrial,
18 specialized, and commercial [manufacturing and research and
19 development facilities,] enterprises, including in conjunction
20 therewith the financing of machinery and equipment;

21 (6) That many existing industrial, specialized and
22 commercial [manufacturing and research and development]
23 enterprises throughout the Commonwealth could become more
24 competitive and could expand more rapidly if such additional
25 means of financing were available for modern buildings, plant
26 facilities and modern machinery and equipment;

27 (7) That additional industrial, specialized, and commercial
28 [manufacturing and research and development facilities]
29 enterprises could be attracted to the Commonwealth if such
30 additional means of financing were available to construct,

1 rehabilitate and expand industrial, specialized facilities, or
2 commercial buildings, or plants and in conjunction therewith
3 equip the same with modern machinery and equipment;

4 * * *

5 Section 3. Clause (9) of section 2 of the act, added
6 December 29, 1972 (P.L.1675, No.359), is amended and a clause is
7 added to read:

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

10 * * *

11 (9) That the provisions of the Constitution of Pennsylvania
12 guaranteeing the residents of the Commonwealth clean air and
13 water and their implementation through the establishment of
14 quality standards relating to abatement or elimination of air
15 and water pollution have resulted in the need for additional
16 means of financing to assist and encourage industrial,
17 [manufacturing, research and development, agricultural and
18 utility] specialized, and commercial enterprises to comply with
19 such air and water pollution control standards.

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

27 * * *

28 Section 4. Section 3 of the act, amended December 29, 1971
29 (P.L.647, No.171), September 1, 1972 (Sp.Sess. No.1, P.L.2,
30 No.2) and December 29, 1972 (P.L.1675, No.359), is amended to

1 read:

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

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

6 (2) "Board" means the governing body of an authority.

7 (3) "Bonds" mean and include the notes, bonds, refunding
8 notes and bonds and other evidence of indebtedness or
9 obligations which each authority is authorized to issue pursuant
10 to section 6(b)(10) of this act.

11 (4) "Construction" means and includes acquisition by deed,
12 lease, sale, gift or otherwise, and construction, and the term
13 "to construct" means and includes to acquire by deed, lease,
14 sale, gift or otherwise, and to construct, all in such manner as
15 may be deemed desirable.

16 (5) "Cost of the industrial or commercial development
17 project" or "cost of the project" or "cost" means and includes
18 the cost of construction, the cost of acquisition of all
19 structures, lands and other property rights and interests in
20 land necessary to the project, the cost of demolishing, removing
21 or relocating any buildings or structures on lands acquired or
22 to be acquired, including the cost of acquiring any lands to
23 which such buildings or structures may be moved or relocated,
24 the cost of sewage treatment, industrial waste treatment and air
25 pollution control facilities and of all labor, materials,
26 machinery and equipment, financing charges, interest on all
27 bonds prior to and during construction, and for a period of six
28 months thereafter, cost of engineering, financial and legal
29 services, plans, specifications, studies, surveys necessary or
30 incidental to determining the feasibility or practicability of

1 constructing an industrial or commercial development project,
2 administrative expenses, reserves for interest and for
3 extensions, enlargements, additions and improvements, and such
4 other expenses as may be necessary or incidental to the
5 construction of industrial or commercial development projects
6 and the placing of the same in operation.

7 (6) "Federal agency" means and includes the United States of
8 America, the President of the United States of America, and any
9 department of or corporation, agency or instrumentality
10 heretofore or hereafter created, designated or established by
11 the United States of America.

12 (7) "Governmental body" or "governmental bodies" means the
13 body or board authorized by law to enact ordinances or adopt
14 resolutions for the particular municipality.

15 (8) "Improvement" means and includes extension, enlargement
16 and other improvement; and the term "to improve" means and
17 includes to extend, to enlarge, and to otherwise improve all in
18 such manner as may be deemed desirable.

19 (9) "Industrial enterprise" means an enterprise other than a
20 mercantile, commercial or retail enterprise, which by virtue of
21 its size requires substantial capital and which by its nature
22 and size has created or will create substantial employment
23 opportunities. The term "industrial enterprise" may include
24 warehouse, distribution and national and regional headquarters
25 facilities. The term "industrial enterprise" may also include
26 enterprises directly related to tourism and recreational
27 facilities provided such activity comprises or is a part of a
28 planned tourist or recreational complex and provided that such
29 activity requires substantial capital and by its nature and size
30 has created or will create substantial employment opportunities.

1 (10) "Industrial development project" or "project" means any
2 building or facility or combination or part thereof or pollution
3 control facilities occupied or utilized by an industrial,
4 manufacturing, or research and development enterprise, or, in
5 the case of pollution control facilities, occupied or utilized
6 by a utility or agricultural enterprise or by a company engaged
7 in the extraction of any mineral coal, oil or natural resources,
8 located within or without or partially within or without the
9 municipality creating the authority, now existing or hereafter
10 acquired or constructed by the authority pursuant to the terms
11 of this act, including any or all buildings, improvements,
12 additions, extensions, replacements, appurtenances, lands,
13 rights in land, water rights, franchises, machinery, equipment,
14 furnishings, landscaping, utilities, railroad spurs and sidings,
15 wharfs, approaches and roadways necessary or desirable in
16 connection therewith or incidental thereto.

17 (11) "Industrial occupant" means any person, partnership, or
18 corporation engaged in industrial, manufacturing or research and
19 development activities and determined by the authority to be
20 financially responsible to assume all obligations prescribed by
21 the authority and this act in the leasing, sale and operation of
22 an industrial development project, and shall also mean a
23 financially responsible nonprofit community industrial
24 development agency engaged in establishing industrial
25 development projects, whether for single or multiple occupancy
26 for use by any person, partnership, or corporation engaged in
27 industrial manufacturing or research and development activities.

28 (12) "Manufacturing enterprise" means an enterprise which is
29 engaged in the giving of new shapes, new qualities or new
30 combinations to matter by the application of skill and labor

1 thereto through the use of equipment or otherwise.

2 (12.1) "Commercial enterprise" means a business enterprise
3 other than one used for industrial purposes, which by virtue of
4 its size requires substantial capital and which by its nature
5 and size has created or will create substantial employment
6 opportunities. The term "commercial enterprise" may include
7 office buildings, hotel or motel structures, shopping centers
8 and department stores and national and regional headquarters
9 facilities: Provided, however, That with respect to
10 redevelopment pursuant to a redevelopment proposal, there shall
11 be no requirement concerning the expenditure of substantial
12 capital or the creation of substantial employment opportunities.

13 (12.2) "Commercial development project" means any building
14 or facility or combination or part thereof occupied or utilized
15 by a commercial enterprise located within or without or
16 partially within or without the municipality creating the
17 authority, now existing or hereafter acquired or constructed by
18 the authority pursuant to the terms of this act, including any
19 or all buildings, improvements, additions, extensions,
20 replacements, appurtenances, lands, rights in land, water
21 rights, franchises, landscaping, utilities, railroad spurs and
22 sidings, wharfs, approaches and roadways necessary or desirable
23 in connection therewith or incidental thereto.

24 (12.3) "Commercial occupant" means any person, partnership,
25 or corporation engaged in commercial activities and determined
26 by the authority to be financially responsible to assume all
27 obligations prescribed by the authority and this act in the
28 leasing, sale and operation of a commercial development project.

29 (13) "Municipality" means any county, city, town, borough or
30 township of the Commonwealth of Pennsylvania.

1 (14) "Research and development enterprise" means an
2 enterprise for the discovery of new and the refinement of known
3 substances, processes, products, theories and ideas, but shall
4 not include activities directed primarily to the accumulation or
5 analysis of commercial, financial or mercantile data.

6 (15) "Secretary" means the Secretary of Commerce of this
7 Commonwealth.

8 (16) "Investor-developer" means any person, partnership or
9 corporation engaged in the development for use by commercial and
10 or industrial occupants of one or more commercial development
11 projects and or industrial development projects and determined
12 by the authority to be financially responsible to assume all
13 obligations prescribed by the authority and this act in the
14 acquisition, development, construction, leasing, sale, operation
15 and financing in whole or in part of a commercial development
16 project or an industrial development project.

17 (17) "Pollution control facilities" means any property, real
18 or personal which is to be used to abate or reduce or aid in the
19 prevention, control, disposal or monitoring of noise, air, water
20 or thermal pollution, solid waste or other pollutants without
21 limitation thereto and may include property or equipment which
22 is to be installed primarily to supplement or to replace
23 existing property or equipment not meeting acceptable pollution
24 control standards or which is to be supplemented or replaced to
25 comply with an order or citation to eliminate pollution issued
26 by any Federal, State or local authority having jurisdiction.

27 (18) "Disaster relief project" means any undertaking to
28 rehabilitate, repair, reconstruct, clean-up, replace, or
29 otherwise return to economic use any land, site, structure, or
30 facility, including machinery, equipment and tools damaged or

1 lost due to disaster of flood or fire or other casualty caused
2 by the floods of September, 1971 or June, 1972 and comprising or
3 being a part of an industrial, commercial, agricultural,
4 utility, manufacturing or research and development enterprise.

5 (19) "Utility enterprise" means any public or private
6 company or corporation engaged primarily in an activity
7 regulated by the Pennsylvania Public Utility Commission.

8 (20) "Agricultural enterprise" means any proprietorship,
9 partnership, company, or corporation which is engaged primarily
10 in raising, preparing, or marketing crops, livestock or related
11 products.

12 (21) "Redevelopment proposal" shall mean a proposal,
13 including a copy of the redevelopment area plan and supporting
14 data submitted for approval to the governing body by an
15 authority, for the development of all or any part of a
16 redevelopment area. A redevelopment area shall be determined by
17 the provisions of the act of May 24, 1945 (P.L.991, No.385),
18 known as the "Urban Redevelopment Law."]

19 "Acquisition" and "to acquire" mean and include the obtaining
20 of possession or title to real or personal property by deed,
21 lease, sale, gift or otherwise.

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

25 "Authority" or "industrial and commercial development
26 authority" means a public instrumentality of the Commonwealth
27 and a body politic and corporate, created pursuant to this act.

28 "Board" means the governing body of an authority.

29 "Bonds" means and includes the notes, bonds, refunding notes
30 and bonds and other evidence of indebtedness or obligations

1 which each authority is authorized to issue pursuant to section
2 6(b)(10) of this act.

3 "Certain transportation facilities" means airports, docks,
4 wharves, mass commuting facilities, public parking facilities,
5 inter modal transportation facilities, or storage or training
6 facilities directly related to any such facility.

7 "Commercial enterprise" means an enterprise other than a
8 specialized enterprise or industrial enterprise which by its
9 nature or size has created, or offers reasonable likelihood of
10 creating, substantial employment opportunities. The term
11 "commercial enterprise" may include wholesale, retail and other
12 mercantile activities and may include office buildings, hotel
13 or motel structures, shopping centers and department stores:
14 Provided, however, That with respect to redevelopment pursuant
15 to a redevelopment proposal, there shall be no requirement
16 concerning substantiality of capital nor substantiality of
17 creation of employment opportunities.

18 "Construction" and "to construct" mean and include the
19 erection, extension, renovation, enlargement or substantial
20 repair of structures employed in, or related to, activities
21 comporting with the intent of this act, and also include
22 activities substantially related to such erection, extension,
23 renovation, enlargement or substantial repair of structures
24 employed in, or related to, such activities.

25 "Cost of the industrial, specialized or commercial
26 development project" or "cost of the project" or "cost" means
27 and includes the expense of construction, the expense of
28 acquisition of all structures, lands and other property rights
29 and interests in land necessary to the project. The terms also
30 include the expense of demolishing, removing or relocating any

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

18 "Disaster relief project" means any undertaking to
19 rehabilitate, repair, reconstruct, clean up, replace or
20 otherwise return to economic use any land, site, structure, or
21 facility, including machinery, equipment and tools damaged or
22 lost due to disaster of flood or fire or other casualty
23 comprising or being a part of an industrial, specialized or
24 commercial enterprise. In order to qualify as a disaster relief
25 project, a project must be located within a county designated as
26 a disaster area by a Federal agency.

27 "Energy producing enterprise" means an enterprise to create,
28 extract, transmit, or store energy or energy producing
29 substances, including, but not limited to coal mine operations,
30 oil and gas operations, solar, nuclear, or geothermal energy

1 operations.

2 "Federal agency" means and includes the United States of
3 America, the President of the United States of America, and any
4 department of or corporation, agency or instrumentality
5 heretofore or hereafter created, designated or established by
6 the United States of America.

7 "Governmental body" or "governmental bodies" means the body
8 or board authorized by law to enact ordinances or adopt
9 resolutions for the particular municipality.

10 "Improvement" and "to improve" mean and include construction
11 and other changes determined by an authority to comport with the
12 purposes of this act.

13 "Industrial development project," "specialized development
14 project," "commercial development project," "development
15 project" or "project" means any pollution control facilities or
16 any combination or part of buildings or facilities occupied or
17 utilized by an industrial, specialized, or commercial enterprise
18 located within or without, or partially within or without, the
19 municipality creating the authority, or existing or hereafter
20 acquired or constructed by the authority pursuant to the terms
21 of this act, including any or all buildings, improvements,
22 additions, extensions, replacements, appurtenances, lands,
23 rights in land, water rights, franchises, machinery, equipment,
24 furnishings, landscaping, utilities, railroad spurs and sidings,
25 wharves, approaches and roadways necessary or desirable in
26 connection therewith or incidental thereto. The term
27 "development project" includes, as well, pollution control
28 facilities occupied or utilized by any person, partnership, or
29 corporation engaged in the extraction of any mineral coal,
30 natural gas, oil or other natural resources.

1 "Industrial enterprise" means an enterprise other than a
2 specialized enterprise or commercial enterprise which by its
3 nature or size requires substantial capital and which by its
4 nature or size has created or offers a reasonable likelihood of
5 creating substantial employment opportunities. The term
6 "industrial enterprise" may include manufacturing activities and
7 research and development activities, as well as warehouse
8 facilities, distribution facilities, and international, national
9 and regional headquarters facilities. The term "industrial
10 enterprise" also includes activities directly related to tourism
11 and recreational facilities, provided that such activities
12 comprise or are part of a planned or established tourist or
13 recreational complex.

14 "Industrial parks" means land areas acquired (including
15 existing buildings and improvements previously erected thereon),
16 to be improved and prepared by an authority or nonprofit
17 industrial development organization in accordance with plans and
18 specifications as approved by the secretary as sites for the
19 establishment thereon of two or more industrial, specialized, or
20 commercial development projects.

21 "Investor-developer" means any person, partnership or
22 corporation engaged in the development for use by occupants of
23 one or more development projects and determined by the authority
24 to be financially responsible to assume all obligations
25 prescribed by the authority and this act in the acquisition,
26 development, construction, leasing, sale operation and financing
27 in whole or in part of a development project.

28 "Manufacturing activity" means an activity which is engaged
29 in the giving of new shapes, new qualities or new combinations
30 to matter by the application of skill and labor thereto through

1 the use of equipment or otherwise.

2 "Municipality" means any county, city, town, borough or
3 township of the Commonwealth of Pennsylvania, each of which
4 political subdivisions are separate incorporated municipalities
5 of the Commonwealth of Pennsylvania for the purposes of this
6 act.

7 "Nursing home" means any facility licensed or approved as a
8 nursing home by the Department of Public Welfare under the act
9 of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare
10 Code."

11 "Occupant" means any person, partnership, or corporation
12 engaged in an industrial, commercial or specialized enterprise
13 and determined by the authority to be financially responsible to
14 assume all obligations prescribed by the authority and this act
15 in the lease, sale, and operation of a development project. The
16 term "occupant" shall also mean a financially responsible
17 nonprofit community industrial development agency engaged in
18 establishing industrial development projects, whether for single
19 or multiple occupancy for use by any person, partnership, or
20 corporation engaged in any industrial enterprise.

21 "Pollution control facilities" means any property, real or
22 personal which is to be used to abate or reduce or aid in the
23 prevention, control, disposal or monitoring of noise, air, water
24 or thermal pollution, solid waste or other pollutants without
25 limitation thereto and may include property or equipment which
26 is to be installed primarily to supplement or to replace
27 existing property or equipment not meeting acceptable pollution
28 control standards or which is to be supplemented or replaced to
29 comply with an order or citation to eliminate pollution issued
30 by any Federal, State or local authority having jurisdiction.

1 "Redevelopment proposal" means a proposal, including a copy
2 of the redevelopment area plan and supporting data submitted for
3 approval to the governing body by an authority, for the
4 development of all or any part of a redevelopment area.

5 "Research and development activity" means an activity for the
6 discovery of new and the refinement of known substances,
7 processes, products, theories and ideas, but shall not include
8 activities directed primarily to the accumulation or analysis of
9 commercial, financial or merchantile data.

10 "Secretary" means the Secretary of Commerce of the
11 Commonwealth.

12 "Specialized enterprise" means an enterprise, other than an
13 industrial enterprise or a commercial enterprise, which by its
14 nature or size requires substantial capital. The term
15 "specialized enterprise" includes, and is expressly limited to,
16 certain transportation facilities, nursing home facilities,
17 industrial parks, facilities for the furnishing of electric
18 energy or gas, facilities for the furnishing of water available
19 on reasonable demand to general members of the public, energy-
20 producing activities, and the construction of rail sidings,
21 spurs, and branch lines.

22 "Utility activity" means any public or private company or
23 corporation engaged primarily in an activity regulated by the
24 Pennsylvania Public Utility Commission.

25 Section 5. Subsection (a), clauses (8), (9) and (16) of
26 subsection (b) and subsection (d) of section 6 of the act,
27 subsection (a) and clauses (1), (2) and (4) of subsection (d)
28 amended December 29, 1971 (P.L.647, No.171), and clauses (8),
29 (9) and (16) of subsection (b) amended December 29, 1972
30 (P.L.1675, No.359), are amended to read:

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

14 (b) Every authority is hereby granted, and shall have and
15 may exercise all powers necessary or convenient for the carrying
16 out of the aforesaid purposes, including but without limiting
17 the generality of the foregoing, the following rights and
18 powers:

19 * * *

20 (8) To enter into acquisition agreements providing for (i)
21 the construction of industrial, specialized, or commercial
22 development projects by either the authority or the [industrial
23 or commercial] occupant; (ii) the financing of industrial,
24 specialized and commercial development projects to be
25 constructed initially by an [industrial or commercial] occupant
26 if prior to the commencement of construction an agreement as to
27 financing is entered into between the authority and the
28 [industrial or commercial] occupant; (iii) the financing of
29 improvements to existing industrial, specialized or commercial
30 development projects if the existing project is owned by the

1 authority or will be conveyed in fee to the authority, free and
2 clear of all encumbrances and without consideration; (iv) the
3 leasing or sale of the industrial, specialized or commercial
4 development projects to the [industrial or commercial] occupants
5 or to an investor-developer as hereinafter provided; and (v) the
6 financing of the activities of investor-developers in any
7 activity set forth in (i), (ii), (iii) or (iv) above.

8 (9) To enter into agreements of lease or sale with
9 [industrial or commercial] occupants or investor-developers
10 providing, inter alia, (i) for the leasing or sale of
11 industrial, specialized and commercial development projects to
12 the [industrial or commercial] occupants or investor-developers
13 for a term of years not to extend beyond the term of existence
14 of the authority; (ii) for a rental or other payments sufficient
15 to amortize the principal, interest and premium, if any, of all
16 bonds and other obligations of the authority incurred to pay the
17 costs of the industrial, specialized or commercial development
18 project to be leased or sold; (iii) for the [industrial or
19 commercial] occupant or investor-developer to pay to the
20 authority or to otherwise assume and pay all other costs of
21 maintaining and operating the project; (iv) provisions, if
22 deemed desirable, that the [industrial or commercial] occupant
23 or investor-developer of a project pursuant to a lease shall
24 have the option to renew such lease or to purchase any or all of
25 such project; [or upon payment of all bonds and other
26 obligations of the authority incurred with respect to such
27 project, the authority may convey any part or all of said
28 project to the industrial or commercial occupants or investor-
29 developers with or without consideration; and] (v) for
30 conveyance with or without consideration of any part, or all, of

1 a project to occupants or investors-developers on or before
2 payment of all bonds and other obligations of the authority
3 incurred with respect to such project; and (vi) such other
4 provisions as are customary in such leases or agreements of sale
5 or as may be deemed necessary or convenient by the authority.

6 * * *

7 (16) Recognizing the necessity for enterprises to
8 immediately commence rehabilitation work and pollution control
9 facilities, no disaster relief project or project consisting of
10 pollution control facilities shall be rejected by the Secretary
11 of Commerce or be otherwise disqualified under this act on the
12 grounds that the project has commenced or has been completed,
13 provided that in respect to a disaster relief project an
14 application for approval by the secretary is submitted to the
15 Department of Commerce [prior to January 1, 1973] within six
16 months after the county in which the project is or will be
17 located has been designated as a disaster area by a Federal
18 agency.

19 * * *

20 (d) An authority created hereunder shall have no power to:

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

28 (2) Acquire existing industrial, specialized, or commercial
29 development projects under circumstances which would be
30 primarily for the purpose of directly or indirectly refinancing

1 the obligations of or providing working capital or other funds
2 for any industrial, specialized, commercial, [manufacturing or
3 research] enterprise or any parent, subsidiary, affiliate or
4 shareholder thereof, which enterprise, or any parent,
5 subsidiary, affiliate or shareholder thereof, would thereafter
6 continue to occupy or utilize said project; however, this
7 limitation shall not apply to refinancing in order to improve an
8 existing project now financed by the authority or by any
9 authority or nonprofit corporation heretofore recognized as
10 agency or an instrumentality of the Commonwealth or any
11 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 Section 6. Subsections (c) and (f) of section 7 of the act,
23 subsection (c) amended December 29, 1971 (P.L.647, No.171), and
24 subsection (f) amended December 29, 1972 (P.L.1675, No.359), are
25 amended to read:

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

27 (c) Any resolution or resolutions authorizing any bonds may
28 contain provisions which shall be part of the contract with the
29 holders thereof, as to (i) pledging the full faith and credit of
30 the authority (but not of the Commonwealth of Pennsylvania or

1 any political subdivision thereof) for such obligations, or
2 restricting the same to all or any of the assets or to all or
3 any of the revenues or receipts of the authority from all or any
4 projects or properties; (ii) the construction, improvement,
5 operation, extension, enlargement, maintenance and repair of the
6 project and the duties of the authority and the [industrial or
7 commercial] occupant with reference thereto; (iii) the terms and
8 provisions of the bonds; (iv) limitations on the purposes to
9 which the proceeds of the bonds then or thereafter to be issued,
10 or of any loan or grant by a Federal agency may be applied; (v)
11 the rentals and other charges for use of the project; (vi) the
12 setting aside of reserves or sinking funds and the regulation
13 and disposition thereof; (vii) limitations on the issuance of
14 additional bonds; (viii) the terms and provisions of any deed of
15 trust, mortgage or indenture securing the bonds, or under which
16 the same may be issued, and (ix) any other or additional
17 agreements with the holders of the bonds.

18 * * *

19 (f) No bonds shall be issued and sold and the construction
20 of a project shall not be commenced until the proceedings to be
21 undertaken in respect of the issuance and sale of the bonds and
22 the construction of the project have been first approved by the
23 secretary: Provided, That construction of disaster relief
24 projects and projects consisting of pollution control facilities
25 may be commenced prior to the approval of the secretary: And
26 provided further, That in respect to disaster relief projects,
27 an application for approval in respect thereof is submitted to
28 the secretary [prior to January 1, 1973] within six months after
29 the county in which the project is or will be located has been
30 designated as a disaster area by a Federal agency. The chairman

1 of the authority shall cause to be certified under seal of the
2 authority and delivered to the secretary such documents relating
3 to the proceedings as may be necessary and as may be required by
4 the secretary to enable him to determine that:

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

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

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

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

11 If such proceedings are found to be in conformity with this
12 act, the secretary shall within twenty days after receipt
13 thereof approve the same and certify his approval to the
14 authority.

15 If, upon examination, the secretary shall find that such
16 proceedings are not in accordance with this act, he shall
17 disapprove the same and shall within twenty days after receipt
18 thereof certify his disapproval to the authority; thereafter, it
19 shall be unlawful for such authority to issue any bonds upon
20 such proceedings or to commence construction of the project
21 unless the proceedings are corrected and as corrected have been
22 approved by the secretary. If the secretary shall not have
23 approved or disapproved the proceedings within such twenty days
24 the same shall be deemed to have been approved. The decision of
25 the secretary shall be final.

26 * * *

27 Section 7. Section 11 of the act, amended December 29, 1971
28 (P.L.647, No.171), is amended to read:

29 Section 11. Transfer of Existing Facilities to Authority.--
30 Any municipality may, and it is hereby authorized to sell,

1 lease, grant, convey and transfer to any authority, any
2 facilities, or any interest in real or personal property
3 available for industrial, specialized, or commercial development
4 projects. This section without reference to any other law, shall
5 be deemed complete, the provisions of other laws to the contrary
6 notwithstanding.

7 Section 8. Subsection (a) of section 12 of the act, amended
8 December 29, 1972 (P.L.1675, No.359), is amended to read:

9 Section 12. Competition in Award of Contracts.--(a) All
10 construction, reconstruction, repairs or work of any nature made
11 directly by any authority where the entire cost, value or amount
12 of such construction, reconstruction, repairs or work, including
13 labor and materials, shall exceed five thousand dollars
14 (\$5,000), except construction, reconstruction, repairs or work
15 done by employes of said authority, or by labor supplied under
16 agreement with any Federal or State agency, with supplies and
17 materials purchased as hereinafter provided, shall be done only
18 under contract or contracts to be entered into by the authority
19 with the lowest responsible bidder upon proper terms, after due
20 public notice has been given asking for competitive bids as
21 hereinafter provided: Provided, however, That where the
22 authority is the legal title holder to the industrial,
23 specialized, or commercial development project, and there exists
24 an agreement whereby an [industrial or commercial] occupant or
25 an investor-developer will or can acquire legal title to the
26 said project under the then certain terms and conditions,
27 contracts for construction, reconstruction, repair, or work of
28 any nature, or purchase of machinery and equipment, may be
29 awarded by the [industrial or commercial] occupant or the
30 investor-developer without regard to the limitations of this

1 section 12: And provided further, however, That for the purposes
2 of this section 12, "construction" shall not include acquisition
3 of property for industrial, specialized, or commercial
4 development purposes. No contract shall be entered into between
5 an authority and a contractor for construction or improvement or
6 repair of any project or portion thereof, unless the contractor
7 shall give an undertaking with a sufficient surety or sureties
8 approved by the authority, and in an amount fixed by the
9 authority, for the faithful performance of the contract. All
10 contracts of surety shall provide among other things that the
11 contractor entering into a contract with the authority will pay
12 for all materials furnished and services rendered for the
13 performance of the contract, and that any person or corporation
14 furnishing such materials or rendering such services may
15 maintain an action to recover for the same against the obligor
16 in the undertaking, as though such person or corporation was
17 named therein, provided the action is brought within one year
18 after the time the cause of action accrued.

19 * * *

20 Section 9. This act shall take effect immediately.