

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 294

Session of
1983

INTRODUCED BY SWEET, HOEFFEL, MICHLOVIC, O'DONNELL,
F. E. TAYLOR, IRVIS, MANDERINO, WACHOB, PISTELLA, DALEY,
LESCOVITZ, WOZNIAK, MCINTYRE, AFFLERBACH, GRUITZA, BELFANTI,
GALLAGHER, SEVENTY, PRATT, VAN HORNE, TRELLO, GAMBLE, MAIALE,
FREEMAN, PETRARCA, MURPHY, MORRIS, LETTERMAN, LLOYD, RYBAK,
WAMBACH, KOSINSKI, ALDERETTE, DAWIDA, FISCHER, BLAUM,
MICOZZIE, EVANS, COWELL, STEIGHNER, CLARK, TIGUE, McHALE,
PERZEL, CAPPABIANCA, FATTAH, CAWLEY, SEVENTY, OLASZ AND
SERAFINI, FEBRUARY 16, 1983

AS REPORTED FROM COMMITTEE ON BUSINESS AND COMMERCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, MARCH 12, 1984

AN ACT

1 Creating the Distressed Communities Task Force; establishing its
2 powers and duties; and making an appropriation.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Distressed
7 Communities Task Force Act.

8 Section 2. Legislative findings and policy.

9 (a) Findings.--It is hereby found and declared as a matter
10 of legislative findings:

11 (1) There exists in communities throughout the
12 Commonwealth blighted areas which are inimical to the safety,
13 health, morals and welfare not only to the residents of that
14 area but also to all citizens of the Commonwealth.

1 (2) These blighted areas, singly or in combination,
2 decrease the value of private investments and threaten the
3 sources of public revenue.

4 (3) Because of the economic and social interdependence
5 of communities, the economic and industrial development of
6 municipalities and political subdivisions of the Commonwealth
7 is substantially impaired.

8 (4) There exists in the Commonwealth a condition of
9 substantial and persistent unemployment and underemployment
10 seriously aggravated by an unacceptably low level of economic
11 activity in such areas.

12 (5) These conditions have and will continue to result in
13 making such areas economic or social liabilities harmful to
14 the social and economic well-being of the entire communities
15 in which they exist, depreciating values therein, reducing
16 tax revenues and thereby depreciating further the general
17 community-wide values.

18 (6) These conditions cannot be dealt with effectively by
19 private enterprise under existing law without additional
20 assistance in that the development, redevelopment,
21 industrialization or reindustrialization of such areas
22 requires the stimulation of private investment therein.

23 (7) The Commonwealth's present mechanisms for the
24 stimulation of industrial development have proven, in and of
25 themselves, to be inadequate in alleviating such conditions.

26 ~~(8) Lack of coordination, inflexibility and slow~~ <—
27 ~~responsiveness all characterize the Commonwealth's present~~
28 ~~administrative mechanisms for aid to industrial and community~~
29 ~~development.~~

30 ~~(9)~~ (8) Severe economic conditions throughout the

Commonwealth necessitate not only programs providing for loans, the attraction and infusion of capital and other stimuli, but that the Commonwealth take steps to insure that such programs are coordinated and focused so that the Commonwealth may make a rapid and effective response.

(b) Policy.--It is declared to be the policy of the Commonwealth to promote the health, safety and welfare of its inhabitants by the creation of a task force to direct and coordinate ~~all of the Commonwealth's programs involving the~~

~~commercial development, redevelopment, industrialization or
reindustrialization of areas throughout the Commonwealth~~ THE

PROGRAMS OF THE COMMONWEALTH DESIGNED TO PREVENT ECONOMIC DECLINE, BUSINESS CLOSINGS AND PLANT SHUTDOWNS. This task force shall be known as the Distressed Communities Task Force. These purposes are hereby declared to be public purposes for which public money may be spent.

Section 3. Distressed Communities Task Force established.

There is hereby created a task force to be known as the Distressed Communities Task Force, or Task Force. The Task Force is constituted a public instrumentality and its exercise of the powers conferred by this act shall be deemed to be the performance of an essential governmental function. The Task Force shall be a part of the Executive Branch and shall consist of three members, specifically the Secretary of Commerce, the Secretary of Labor and Industry and the Secretary of Community Affairs.

Section 4. Powers and duties.

(a) Officers.--Task Force members shall annually elect one of themselves as chairman and another as vice-chairman and shall designate a secretary-treasurer, who need not be a member of the

1 Task Force.

2 (b) Compensation.--Task Force members shall not receive any
3 compensation by virtue of their membership in this body but
4 shall be entitled to reimbursement from the Executive Branch for
5 any expenses incurred by them in the performance of any
6 functions as members of this body.

7 (c) Quorum.--Two of the members shall constitute a quorum
8 and two affirmative votes shall be necessary for the transaction
9 of business or the exercise of any power or function of the Task
10 Force.

11 (d) Executive director.--An executive director of the Task
12 Force shall be appointed and his salary be established by the
13 board of directors. However, should said executive director
14 already be an employee of the Commonwealth, said person shall
15 serve without a salary. The executive director shall be the
16 chief administrative and operational officer of the Task Force
17 and shall direct and supervise administrative affairs and the
18 general management of the Task Force. The executive director may
19 employ such other employees and consultants as shall be
20 designated by the board of directors, however, it is hereby
21 directed that existing personnel and existing resources of the
22 Commonwealth's Executive Branch and the General Assembly be
23 relied upon to the extent possible without provision for
24 additional salary. The executive director shall attend meetings
25 of the board of directors, shall cause copies to be made of all
26 minutes and other records and documents of the Task Force and
27 shall certify that such copies are true copies and all persons
28 dealing with the Task Force may rely upon such certification.

29 (e) Annual report.--The chairman of the Task Force shall
30 prepare within three months after the end of the fiscal year an

1 annual report of the Task Force's activities and submit copies
2 thereof to the Governor, Speaker of the House of Representatives
3 and President pro tempore of the Senate.

4 (f) Meetings.--The Task Force shall meet no less than once a
5 month.

6 (g) Powers.--The Task Force shall have the power to:

7 (1) Adopt bylaws for the regulation of its affairs and
8 the conduct of its business.

9 (2) Adopt an official seal.

10 (3) Enter into agreements and other transactions with
11 any Federal or State agency.

12 (4) Appear on its own behalf before boards, commissions,
13 departments or agencies of government at the municipal, State
14 or Federal levels.

15 (5) Provide and pay for such advisory services,
16 feasibility studies and technical assistance as may be
17 necessary or desirable to carry out the purposes of this act, <—
18 INCLUDING THE RETENTION OF CONSULTANTS. WHENEVER POSSIBLE,
19 THE TASK FORCE SHALL ENTER INTO CONSULTING AGREEMENTS WITH
20 RESIDENTS OF THE COMMONWEALTH WHO WORK AT OR ARE EMPLOYED BY
21 INDUSTRIES, LABOR ORGANIZATIONS OR EDUCATIONAL OR SCIENTIFIC
22 INSTITUTIONS WHICH ARE BASED IN THE COMMONWEALTH. EACH
23 CONSULTING AGREEMENT MAY PROVIDE FOR THE PAYMENT OF
24 COMPENSATION AND EXPENSES FOR TIME ACTUALLY EXPENDED FOR THE
25 TASK FORCE AND A SMALL ANNUAL RETAINER FEE.

26 (6) Certify the eligibility of projects for assistance
27 by the Pennsylvania Community Development Finance
28 Corporation.

29 (7) Do any and all things necessary or convenient to
30 carry out its purposes and exercise the powers expressly

1 given and granted in this act.

2 Section 5. Mandates of Distressed Communities Task Force.

3 (a) General rule.--The Task Force shall, within 30 days from
4 the effective date of this act, devise a set of criteria for a
5 definition of "distressed community" in accordance with
6 statistical information gathered by the Task Force. This
7 criteria shall include, but not be limited to, substantial
8 conditions of unemployment, economic recession, declining local
9 tax base, curtailment of municipal services, widespread reliance
10 on public assistance and blight, as that term is used in the act
11 of May 24, 1945 (P.L.991, No.385), known as the Urban
12 Redevelopment Law, caused by severe economic dislocation
13 experienced or threatened to be experienced by plant closings or
14 the jeopardy posed by a community's reliance on a single
15 capital-intensive industry. The criteria may be modified by the
16 Task Force as circumstances warrant.

17 (b) Catalogue of programs.--The Task Force shall, within 30
18 days of the effective date of this act, catalogue all of the
19 economic development programs currently provided by Federal,
20 State and local governments, including industrial development
21 authority programs, and categorize them according to
22 municipality. In addition, the Task Force will review all
23 applicable regulations and requirements of these programs,
24 proposing changes where necessary to coordinate the programs
25 provided to industries and communities in this Commonwealth to
26 deliver rapid and streamlined assistance to them. Furthermore,
27 the Task Force shall devise a method to give quick review and
28 priority to any project of any economic development program,
29 including P.I.D.A., which has been certified by the Task Force.
30 The catalogue of economic development programs compiled by the

1 Task Force shall be reduced to a comprehensible narrative such
2 that any threatened community or jeopardized industry may
3 ascertain the total range of programs available, and then with
4 the aid of the Task Force, proceed to secure needed assistance.

5 (c) Interagency cooperation.--When appropriate, on an
6 emergency basis or otherwise, the Task Force shall coordinate
7 any effort of Commonwealth agencies or instrumentalities in
8 providing assistance for economic development to industries and
9 the communities in which they are located.

10 (D) ENCOURAGEMENT OF EMPLOYEE OWNERSHIP.--

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11 (1) THE TASK FORCE SHALL COMMISSION FEASIBILITY STUDIES
12 FOR AND PROVIDE TECHNICAL ASSISTANCE TO GROUPS CONSIDERING
13 EMPLOYEE OWNERSHIP OF EXISTING ENTERPRISES IN DANGER OF BEING
14 SHUT DOWN OR OF MOVING OUT OF THE COMMONWEALTH. FOR PURPOSES
15 OF THIS ACT, "ENTERPRISE" SHALL INCLUDE A COMPANY WHICH IS AN
16 ONGOING CONCERN, THE ASSETS OF AN EXISTING COMPANY OR THE
17 ASSETS OF A COMPANY WHICH HAS BEEN CLOSED FOR NO MORE THAN
18 TWO YEARS AS OF THE DATE OF THE APPLICATION FOR A FEASIBILITY
19 STUDY GRANT. APPLICANTS FOR FEASIBILITY STUDY GRANTS SHALL BE
20 LIMITED TO:

21 (I) AN EMPLOYEE GROUP CONSIDERING OWNERSHIP OF THE
22 ENTERPRISE BY WHICH A MAJORITY OF THE MEMBERS OF THE
23 GROUP IS PRESENTLY OR HAS BEEN EMPLOYED.

24 (II) THE LABOR REPRESENTATIVES OF AN EMPLOYEE GROUP
25 CONSIDERING OWNERSHIP OF THE ENTERPRISE BY WHICH THE
26 MEMBERS OF THE GROUP ARE OR WERE EMPLOYED.

27 (III) ANY OTHER REPRESENTATIVE OF AN EMPLOYEE GROUP
28 WHICH THE TASK FORCE ACCEPTS AS A PROPER REPRESENTATIVE
29 FOR THE PURPOSES OF THIS SUBSECTION.

30 (IV) A UNIT OF LOCAL GOVERNMENT.

(V) AN INDUSTRIAL DEVELOPMENT AUTHORITY ESTABLISHED UNDER THE ACT OF AUGUST 23, 1967 (P.L.251, NO.102), KNOWN AS THE INDUSTRIAL AND COMMERCIAL DEVELOPMENT AUTHORITY LAW.

(VI) A COMMUNITY DEVELOPMENT CORPORATION ESTABLISHED UNDER THE ACT OF (P.L. , NO.), KNOWN AS THE PENNSYLVANIA COMMUNITY DEVELOPMENT FINANCE CORPORATION ACT.

(2) GRANTS FOR FEASIBILITY STUDIES SHALL BE AWARDED FOR NOT MORE THAN 90% OF THE COST OF THE STUDY. LOCAL MATCHING SHARES SHOULD INCLUDE, BUT ARE NOT LIMITED TO, INDIVIDUAL CONTRIBUTIONS BY AFFECTED EMPLOYEES.

(3) FEASIBILITY STUDIES SHOULD:

(I) ASSESS THE MARKET VALUE AND DEMAND FOR THE PRODUCT PRODUCED BY THE PLANT AFFECTED BY THE CLOSING OR LAYOFF.

(II) ASSESS THE MARKET VALUE AND DEMAND FOR OTHER PRODUCTS WHICH COULD BE MANUFACTURED OR ASSEMBLED BY THE PLANT AFFECTED BY THE CLOSING OR LAYOFF.

(III) EVALUATE THE PRODUCTION COSTS INCURRED IF THE PLANT WERE TO BE OPERATED IN A COOPERATIVE CONTEXT.

(IV) DETERMINE WHETHER THERE EXISTS IN THE AFFECTED AREA AND IN THE WORK FORCE, THE DESIRE AND CAPACITY TO CREATE A NEW PRODUCTION ENTITY AND TO BECOME COMPETITIVE.

Section 6. Appropriation.

The sum of \$500,000, or as much thereof as may be necessary, is hereby appropriated to the Distressed Communities Task Force, for the fiscal year ~~July 1, 1983 to June 30, 1984~~ JULY 1, 1984 TO JUNE 30, 1985, to carry out the provisions of this act and to specifically carry out the provisions of section 4(g)(5).

1 Section 7. Conflict of law.

2 If the provisions of this act conflict with any other
3 statute, ordinance, rule or regulation, the provisions of this
4 act shall control.

5 Section 8. Effective date.

6 This act shall take effect immediately.