

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1165 Session of
1983

INTRODUCED BY PRATT, F. E. TAYLOR, CAPPABIANCA, VAN HORNE,
SEVENTY, COLAFELLA, ALDERETTE, PISTELLA, MAIALE, OLASZ AND
PRESTON, JUNE 8, 1983

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, JUNE 8, 1983

AN ACT

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

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

26 Section 1. Section 5 of the act of May 17, 1955 (1956
27 P.L.1609, No.537), known as the Pennsylvania Industrial
28 Development Authority Act, is amended by adding clauses to read:

1 Section 5. Powers of the Authority; General.--The Authority,
2 as a public corporation and governmental instrumentality
3 exercising public powers of the Commonwealth, is hereby granted
4 and shall have and may exercise all powers necessary or
5 appropriate to carry out and effectuate the purposes of this
6 act, including the following powers, in addition to others
7 herein granted:

8 * * *

9 (s) To make loans to industrial development agencies for
10 industrial development projects which are conditional upon the
11 outcome of a performance audit conducted by the Authority within
12 the third year following the granting of any loan and to include
13 an acceleration clause in any such loan agreement to be
14 conditioned upon the outcome of any performance audit.

15 (t) To perform a performance audit conducted by the
16 Authority, within the third year following the granting of any
17 loan and to have included an acceleration clause in any such
18 agreement, whether or not the transaction is a local finance
19 transaction, and regardless of the parties involved.

20 * * *

21 Section 2. Section 7 of the act is amended by adding a
22 clause to read:

23 Section 7. Loan Application Requirements.--Prior to the
24 loaning of any funds to an industrial development agency for an
25 industrial development project in a critical economic area, the
26 Authority shall receive from such industrial development agency
27 a loan application in form adopted by the Authority which shall
28 contain, without being limited to, the following provisions:

29 * * *

30 (l) A general provision which provides that the signing of

1 the document and completion of the application shall constitute
2 and operate as agreement by the applicants to all of the
3 provisions of the loan.

4 * * *

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