

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2465

Session of
1992

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MARCH 11, 1992

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 16, 1992

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,
28 applicable elected representatives, purposes and powers,
29 powers of the financing authority, financing authority
30 indebtedness, financing authority loans, industrial and

1 commercial development authorities, bonds and competition in
2 award of contracts.

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

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

9 Section 1. This act shall be known and may be cited as the
10 ["Industrial and Commercial Development Authority Law."]
11 "Economic Development Financing Law."

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

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

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

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

30 (3) That the present and prospective health, safety, morals

1 and general welfare of the people of [the] this Commonwealth
2 require as a public purpose the promotion and development of
3 new, expanded and rehabilitated industrial, commercial[,
4 manufacturing and research and development] and other economic
5 activities;

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

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

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

26 (7) That additional industrial, [specialized, and commercial
27 enterprises could be attracted to the Commonwealth if such
28 additional means of financing were available to construct,
29 rehabilitate and expand industrial, specialized facilities, or
30 commercial buildings, or plants and in conjunction therewith

1 equip the same with modern machinery and equipment;] commercial
2 and other economic activities could be attracted to the
3 Commonwealth if such additional means of financing were
4 available to acquire, construct, rehabilitate and expand
5 facilities, including, but not limited to, buildings, plants,
6 machinery and equipment and other industrial and commercial
7 facilities;

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

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

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

1 financing [enterprises] projects directed to such production;

2 (11) That to protect the health, safety and general welfare
3 of the people of [the] this Commonwealth and to further
4 encourage economic development within [the] this Commonwealth by
5 providing basic services and facilities, it is necessary to
6 provide additional or alternative means of financing [certain
7 transportation and other facilities, industrial parks, nursing
8 homes, energy conversion facilities and facilities for the
9 furnishing of gas or through the use of coal-fired generating
10 facilities, gas, or water available on reasonable demand to
11 members of the general public.] infrastructure facilities,
12 transportation facilities AND SYSTEMS OF EVERY KIND, industrial <—
13 parks, energy conversion facilities, facilities for the
14 furnishing of gas or water, communication facilities, tourism,
15 recreational and sports facilities, convention facilities,
16 health care facilities, education facilities, facilities for
17 persons requiring special care and other basic service and
18 related facilities and facilities conducive to economic activity
19 within this Commonwealth.

20 (12) That there now is and will continue to exist a need to
21 build and improve, IMPROVE AND FINANCE THE OPERATIONS OF <—
22 facilities owned by municipalities, municipal authorities, and
23 Commonwealth agencies including, but not limited to, publicly
24 owned park facilities, roads AND OTHER TRANSPORTATION FACILITIES <—
25 AND SYSTEMS OF EVERY KIND, correctional facilities, jails, court
26 facilities, waste treatment and disposal facilities,
27 firefighting facilities, library facilities and police
28 facilities and that the cost of obtaining the financing for
29 building and improving these public facilities may be reduced
30 through the issuance of ~~pooled~~ bonds through the Pennsylvania <—

1 Economic Development Financing Authority.

2 (13) That the public ports of this Commonwealth are assets
3 of value to the entire Commonwealth, and the residents of all
4 parts of this Commonwealth benefit directly from the waterborne
5 commerce that the ports attract and service, and any improvement
6 to the ports that increases export and import commerce will
7 benefit the people of the entire Commonwealth.

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

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

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

30 (1) Promote industrial, commercial and other economic

1 development.

2 (2) Promote public and private infrastructure.

3 (3) Promote the use of the most efficient means of
4 production and distribution of goods and services within this
5 Commonwealth.

6 (4) Protect the natural resources of this Commonwealth and
7 encourage the reduction and recycling of wastes and the orderly
8 recovery of natural resources.

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

12 (6) Promote the building and use of efficient means for
13 transporting and storing goods by, among other things,
14 developing sufficient port, rail, highway, air, intermodal
15 shipping, warehouse and other related TRANSPORTATION AND STORAGE <—
16 facilities within this Commonwealth.

17 (7) Promote the installation and use of the most efficient
18 means of communications. ~~for industrial, commercial and other~~ <—
19 ~~economic activities.~~

20 (8) Promote a healthy environment through the abatement,
21 safe storage, transport, elimination, REMEDIATION and disposal <—
22 within this Commonwealth of pollutants and wastes of every kind
23 and type, whether liquid, solid, gaseous, noise, thermal or
24 otherwise, and sewage.

25 (9) Promote and encourage retail and wholesale
26 establishments, whether by the promotion of such establishments
27 themselves or through auxiliary activities such as the promotion
28 of new or improved residential facilities or other activities
29 deemed ~~necessary~~ APPROPRIATE to eliminate blight or otherwise <—
30 improve an area for industrial, commercial and other economic

1 activity.

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

5 (11) Promote the establishment and development of health
6 care and educational facilities, and facilities for the care of
7 persons requiring special care.

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

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

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

20 Section 2.2. Construction.--This act shall be liberally
21 construed in order to effect the legislative and public purposes
22 of sections 2 and 2.1 of this act. THE TERMS "FINANCE" AND <—
23 "FINANCING," AS USED IN THIS ACT, SHALL BE GIVEN THE BROADEST
24 POSSIBLE INTERPRETATION AND SHALL INCLUDE, BUT NOT BE LIMITED
25 TO, REFINANCE AND REFINANCING.

26 Section 4. Section 3 of the act, amended December 19, 1975
27 (P.L.576, No.165), December 16, 1982 (P.L.1363, No.312) and July
28 10, 1987 (P.L.273, No.48), is amended to read:

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

30 ["Agricultural activity" means any person, partnership, or

1 corporation which is engaged primarily in raising, preparing, or
2 marketing crops, livestock, or related products.]

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

6 "Authority" or "industrial and commercial development
7 authority" means a public instrumentality of the Commonwealth
8 and a body politic and corporate, created pursuant to section 4
9 of this act.

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

12 "Bonds" means and includes the notes, bonds, refunding notes
13 and bonds and other [evidence] EVIDENCES of indebtedness or <—
14 obligations. [which each authority is authorized to issue <—
15 pursuant to section 6(b)(10) of this act or which the financing
16 authority is authorized to issue pursuant to section 6.3 of this
17 act.

18 †"Certain transportation and other facilities" means <—
19 airports, docks, wharves, mass commuting facilities, public
20 parking facilities, inter modal transportation facilities, or
21 storage or training facilities directly related to any such
22 facility and facilities for the confinement or correction of
23 prisoners.

24 "Commercial enterprise" means an enterprise other than a
25 specialized enterprise or industrial enterprise which by its
26 nature or size requires substantial capital and which by its
27 nature or size has created, or offers reasonable likelihood of
28 creating, substantial employment opportunities. The term
29 "commercial enterprise" may include wholesale, retail and other
30 mercantile activities, office buildings, hotel or motel

1 structures, shopping centers, department stores and
2 international, national and regional headquarters facilities:
3 Provided, however, That with respect to redevelopment pursuant
4 to a redevelopment proposal, there shall be no requirement
5 concerning substantiality of capital nor substantiality of
6 creation of employment opportunities.]

7 "Commercial facilities" means and includes, but is not
8 limited to, wholesale, retail and other mercantile facilities,
9 warehouse and distribution facilities, service facilities,
10 office facilities, hotel or motel facilities, shopping centers,
11 department stores and international, national and regional
12 headquarters facilities, health care facilities, education
13 facilities, facilities for persons requiring special care,
14 research and development facilities, and tourism, recreational
15 and sports facilities.

16 "Commonwealth agency" means any agency or department of the
17 executive branch of government OR ANY AUTHORITY OR OTHER
18 INSTRUMENTALITY of the Commonwealth.

<—

19 "Construction" [and] or "to construct" [mean and include]
20 means and includes the [acquisition,] erection, extension,
21 renovation, enlargement or substantial repair of structures
22 employed in, or related to, [activities] projects comporting
23 with the intent of this act, and also [include] includes
24 activities substantially related to such [acquisition,]
25 erection, extension, renovation, enlargement or substantial
26 repair of structures employed in, or related to, such
27 [activities] projects.

28 ["Cost of the industrial development project, specialized
29 development project or commercial development project" or "cost
30 of the project" or "cost" means and includes the expense of

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

21 "Cost of the project" or "cost" means and includes any and
22 all costs OF A PROJECT, INCLUDING, BUT NOT LIMITED TO, ANY AND <—
23 ALL COSTS and expenses of acquisition of all land, interests in
24 land, property, rights, buildings, structures, equipment,
25 furnishings and other tangible or intangible property comprising
26 the project, including, without limitation, the expense of <—
27 demolishing, removing or relocating any buildings or structures
28 on lands acquired or to be acquired and the expense of acquiring
29 any lands to which such buildings or structures may be moved or
30 relocated, financing charges and other costs of financing and

~~refinancing and issuing bonds, interest expenses prior to and~~ <—
~~during construction and for a period of six months thereafter,~~
~~costs of engineering, financial, accounting and legal services,~~
~~plans, specifications, studies, surveys necessary or incidental~~
~~to determining the feasibility or practicability of constructing~~
~~the project, administrative expenses, reserves for interest and~~
~~such other expenses as may be necessary or incidental to the~~
~~acquisition of the project and the placing of the same in~~
~~operation. When a project includes~~ IN ADDITION, "COST OF THE <—
PROJECT" OR "COST" MAY INCLUDE working capital or other capital
needs related to industrial, commercial or other economic
activities, ~~the term "cost of the project" shall also include~~ <—
~~such working capital or other capital needs; provided~~ OR <—
OPERATING COSTS OF PUBLIC FACILITIES; PROVIDED, HOWEVER, that
working capital and other capital needs shall be limited as a
percentage of the cost of the project financed with the proceeds
of bonds issued under this act by regulations, statements of
policy, guidelines or rulings issued by the secretary.

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

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

["Energy conversion facility" means an improvement to an

1 industrial, commercial, or specialized development project which
2 changes its fuel consumption capability to a fuel determined by
3 the authority, with the approval of the secretary to be more
4 desirable than the fuel used by the occupant of the project at
5 the time application is made to the authority.]

6 "Energy conversion facilities" means an improvement to
7 industrial, commercial or other facilities which change their
8 fuel consumption capability to a fuel determined by an authority
9 or the financing authority to be more desirable than the fuel
10 used by the occupant of the project at the time application is
11 made to the authority.

12 "Energy producing [activity" means an activity] facilities"
13 means and includes facilities to create, extract, transmit, or
14 store energy or energy producing substances, including, but not
15 limited to coal mine operations, oil and gas operations, solar,
16 nuclear, or geothermal energy operations, except the production
17 of electrical energy by a utility [activity] entity.

18 "Federal agency" or "Federal Government" means and includes
19 the United States of America, the President of the United States
20 of America, and any department of or corporation, agency or
21 instrumentality heretofore or hereafter created, designated or
22 established by the United States of America.

23 "Financing authority" means the Pennsylvania Economic
24 Development Financing Authority created by section 6.1 of this
25 act.

26 "Financing board" means the governing body of the financing
27 authority.

28 "Governmental body" or "governmental bodies" means the body
29 or board authorized by law to enact ordinances or adopt
30 resolutions for the particular municipality.

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

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

23 "Industrial enterprise" means an enterprise other than a
24 specialized enterprise or commercial enterprise which by its
25 nature or size requires substantial capital and which by its
26 nature or size has created or offers a reasonable likelihood of
27 creating substantial employment opportunities. The term
28 "industrial enterprise" may include manufacturing activities and
29 research and development activities, as well as warehouse
30 facilities, distribution facilities, and international, national

1 and regional headquarters facilities. The term "industrial
2 enterprise" also includes activities directly related to tourism
3 and recreational facilities, provided that such activities
4 comprise or are part of a planned or established tourist or
5 recreational complex.

6 "Industrial parks" means land areas acquired (including
7 existing buildings and improvements), and improvements to be
8 placed thereon by a nonprofit development organization in
9 accordance with plans and specifications approved by the
10 secretary as sites for the establishment thereon of two or more
11 industrial, specialized, or commercial development projects.

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

19 "Manufacturing activity" means the giving of new shapes, new
20 qualities or new combinations to matter by the application of
21 skill and labor thereto through the use of equipment or
22 otherwise.]

23 "Industrial development agency" means those nonprofit
24 corporations or foundations or associations which have been
25 certified as Industrial Development Agencies by the Pennsylvania
26 Industrial Development Authority Board pursuant to the act of
27 May 17, 1956 (1955 P.L.1609, No.537), known as the "Pennsylvania
28 Industrial Development Authority Act."

29 "Industrial facilities" means and includes any property, real
30 or personal, which is used for manufacturing, warehousing,

1 transportation of goods for manufacturing or sale, offices,
2 research and development and other facilities of trades or
3 services which perform activities ancillary to industrial
4 activity.

5 "Municipal authority" means an authority organized and
6 existing under the act of May 2, 1945 (P.L.382, No.164), known
7 as the "Municipality Authorities Act of 1945."

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

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

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

28 "Pennvest project" means any ~~activity~~ PROJECT which meets the <—
29 definition of "project" under the provisions of the act of March
30 1, 1988 (P.L.82, No.16), known as the "Pennsylvania

1 Infrastructure Investment Authority Act," which as been referred
2 to the financing authority in accordance with section 6.3(a) of
3 this act.

4 "Pollution control facilities" means and includes any
5 property, real or personal, which is to be used to abate [or <—
6 reduce], REDUCE, REMEDIATE or aid in the prevention, control, <—
7 collection, treatment, disposal or monitoring of noise, air,
8 water or thermal pollution, solid or liquid waste or other
9 pollutants without limitation thereto and may include property
10 or equipment which is to be installed primarily to supplement or
11 to replace existing property or equipment not meeting acceptable
12 pollution control standards or which is to be supplemented or
13 replaced to comply with an order or citation to eliminate
14 pollution issued by any Federal, [State] Commonwealth or local
15 agency having jurisdiction.

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

20 "Research and development activity" means an activity for the
21 discovery of new and the refinement of known substances,
22 processes, products, theories and ideas, but shall not include
23 activities directed primarily to the accumulation or analysis of
24 commercial, financial or mercantile data.]

25 "Project" means industrial facilities, commercial facilities,
26 pollution control facilities, energy conversion facilities,
27 energy producing facilities, disaster relief project facilities,
28 public facilities and other facilities which promote any of the
29 public purposes set forth in section 2 OR 2.1 of this act, <—
30 including any land, interests in land, easements, appurtenances,

improvements, buildings, structures, equipment, furnishings, or
other real or personal property, whether tangible or intangible,
or interest therein, or any combination thereof, and including. <—

IN ADDITION, THE PROJECT MAY INCLUDE working capital and other
capital needs for industrial, commercial and other economic
activities. Such financing or refinancing AND MAY CONSIST SOLELY <—
OF THE FINANCING OF OPERATING EXPENSES OF PUBLIC FACILITIES. THE
FINANCING OF PROJECTS may be with tax-exempt bonds or taxable
bonds issued pursuant to this act, and may be direct through
application of bond proceeds or other funds to pay project costs
or indirect through stock purchases or such other means as an
authority or the financing authority may approve.

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

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

"Public facility" means any facility owned or leased by a
municipality, municipal authority or Commonwealth agency which
serves a public purpose including, but not limited to, park
facilities, water and sewer facilities, waste treatment

facilities, waste disposal facilities, roads and TRANSPORTATION FACILITIES AND SYSTEMS OF EVERY KIND, public parking facilities, correctional facilities, jails and court facilities, police and firefighting facilities, library facilities, child care facilities, educational facilities and health care facilities.

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

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

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

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

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

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

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

(d) Each of the following elected officials of each of the following respective political subdivisions within [the Commonwealth of Pennsylvania] the Commonwealth is hereby designated and empowered to approve the issuance of bonds to finance the cost of [industrial, specialized and commercial development] projects within or without each such political subdivision and to approve the [construction of industrial, specialized and commercial development] acquisition of projects within each such political subdivision:

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

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

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

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

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

(6) With respect to any political subdivision which has adopted a charter under the act of April 13, 1972 (P.L.184, No.62), known as the "Home Rule Charter and Optional Plans Law,"

1 the applicable representative designated and empowered to grant
2 the approvals contemplated hereunder shall be the chief elected
3 executive officer designated by the charter of such political
4 subdivision, or, if there is no provision for such executive
5 officer thereunder, the applicable representative shall be any
6 member of the legislative body of such political subdivision
7 designated by such body.

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

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

26 (b) Every authority is hereby granted, and shall have and
27 may exercise all powers necessary or convenient for the carrying
28 out of the aforesaid purposes, including but without limiting
29 the generality of the foregoing, the following rights and
30 powers:

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

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

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

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

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

15 (6) To make bylaws for the management and regulation of its
16 affairs.

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

19 (8) [To enter into acquisition agreements providing for (i)
20 the construction of industrial, specialized, or commercial
21 development projects by either the authority or the occupant;
22 (ii) the financing of industrial, specialized and commercial
23 development projects to be constructed initially by an occupant
24 if prior to the commencement of construction an agreement as to
25 financing is entered into between the authority and the
26 occupant; (iii) the financing of improvements to existing
27 industrial, specialized or commercial development projects if
28 the existing project is owned by the authority or will be
29 conveyed in fee to the authority, free and clear of all
30 encumbrances and without consideration; (iv) the leasing or sale

1 of the industrial, specialized or commercial development
2 projects to the occupants or to an investor-developer as
3 hereinafter provided; and (v) the financing of the activities of
4 investor-developers in any activity set forth in (i), (ii),
5 (iii) or (iv) above.

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

1 project user; (iii) the financing of improvements to existing
2 projects; and (iv) the leasing or sale of projects to, or the
3 loan financing of projects for, the project users or project
4 applicants as provided in this act.

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

28 (10) To borrow money, make and issue bonds of the authority,
29 [said bonds to have a maturity date not longer than forty years
30 from the date of issue:] Provided, That no bonds shall have a

1 maturity date later than the life of the authority, and to
2 secure the payment of such bonds or any part thereof by pledge,
3 mortgage or deed of trust of all or any part of its property and
4 of its revenues and receipts, and to make such agreements with
5 the purchasers or holders of such bonds, or with others in
6 connection with any such bonds, whether issued or to be issued,
7 as the authority shall deem advisable, and in general to provide
8 for the security for said bonds by mortgage, pledge or otherwise
9 and for the rights of the holders thereof.

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

13 (12) Without limitation of the foregoing, to borrow money
14 and accept grants and other funds from and to enter into
15 contracts, leases or other transactions with any Federal agency,
16 the Commonwealth of Pennsylvania or its agencies or
17 instrumentalities, or with any municipality, school district,
18 bank or other financial institution, corporation or other
19 authority.

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

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

28 [(14)] (15) To do all acts and things necessary or
29 convenient for the promotion of its business and the general
30 welfare of the authority, to carry out and exercise the purpose

1 of and the powers granted [to it] by this act or any other acts.

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

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

15 (c) An authority created hereunder shall have no power at
16 any time or in any manner to pledge the general credit or taxing
17 power of the Commonwealth of Pennsylvania or any political
18 subdivision, and the obligations of the authority shall be
19 limited as provided in section 7(a) hereof. The bonds of the
20 authority shall on the face thereof clearly set forth the
21 foregoing limitation.

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

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

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

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

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

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

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

1 this Commonwealth.

2 (2) Enter into any agreement to finance the acquisition of a
3 project in excess of the cost of the project.

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

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

8 (5) Finance any project which is not located within this
9 Commonwealth.

10 (6) Finance any project which is not located within the
11 boundaries of the county of the municipality which created the
12 authority, unless the authority created by the county or other
13 municipality in which the project is located consents to the
14 financing.

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

17 Section 6.2. Powers of the Financing Authority; General.--
18 The financing authority, as a public corporation and
19 governmental instrumentality exercising public powers of the
20 Commonwealth, is hereby granted and shall have and may exercise
21 all powers necessary or appropriate to carry out and effectuate
22 the purposes of this act, including, but not limited to, the
23 following powers:

24 (1) To have existence until its existence shall be
25 terminated by law.

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

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

29 (4) To make bylaws for the management and regulations of its
30 internal affairs, and, subject to agreements with holders of its

1 bonds, to make rules and regulations with respect to its
2 operations, properties and facilities.

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

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

28 (7) To borrow money and issue bonds and other evidences of
29 indebtedness created thereby, to secure the payment of such
30 bonds or other evidences of the indebtedness or any part thereof

1 by pledge, mortgage or assignment of all or any part of the
2 [mortgages] property of the financing authority, its revenues
3 and receipts therefrom or its revenues generally, and to provide
4 for the rights of the lenders and holders thereof in accordance
5 with the provisions of this act.

6 (8) [To sell] To acquire and sell loans, mortgages and
7 security interests at public or private sale, to negotiate
8 modifications or alterations in [mortgage] mortgages and
9 security interests, to foreclose on any mortgage or security
10 interest in default or commence any action to protect or enforce
11 any right conferred upon it by any law, mortgage, security
12 agreement, contract or other agreement, to bid for and purchase
13 property which was the subject of such mortgage or security
14 interest at any foreclosure or at any other sale, to acquire or
15 take possession of any such property, and to exercise any and
16 all rights as provided by law for the benefit or protection of
17 the financing authority or mortgage or security interest
18 holders.

19 (9) To collect fees and charges in connection with its loan
20 commitments and servicing, including, but not limited to,
21 reimbursement of costs of financing as the financing authority
22 shall determine to be reasonable and as shall be approved by the
23 financing authority.

24 (10) To make and execute contracts for the servicing of
25 loans and mortgages acquired by the financing authority pursuant
26 to this act, and to pay the reasonable value of services
27 rendered to the financing authority pursuant to those contracts.

28 (11) To accept gifts, grants, loans and other aid from the
29 Federal Government, the Commonwealth or any political
30 subdivision of the Commonwealth, or any person or corporation,

1 foundation or legal entity, and to agree to and comply with any
2 conditions attached to Federal and [State] Commonwealth
3 financial assistance not inconsistent with the provisions of
4 this act.

5 (12) To invest moneys of the financing authority not
6 required for immediate use, including proceeds from the sale of
7 any bonds, in such manner as the financing board shall
8 determine, subject to any agreement with bondholders stated in
9 the authorizing resolution providing for the issuance of bonds.

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

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

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

22 (16) TO CONTRACT FOR THE SERVICES OF ATTORNEYS, ACCOUNTANTS <—
23 AND FINANCIAL EXPERTS AND ANY OTHER ADVISORS, CONSULTANTS AND
24 AGENTS AS MAY BE NECESSARY IN ITS JUDGMENT, SUBJECT TO THE
25 REQUIREMENT THAT THE CHAIRMAN SHALL ENSURE THAT MINORITY-OWNED
26 OR MINORITY-CONTROLLED FIRMS SHALL HAVE AN OPPORTUNITY TO
27 PARTICIPATE TO A SIGNIFICANT DEGREE IN THE PROVISION OF ANY
28 CONTRACTUAL SERVICES PURCHASED BY THE AUTHORITY.

29 ~~(16)~~ (17) To make loans to project applicants and project <—
30 users and to provide or issue alternative types of financing

1 including, but not limited to, standby loan commitments,
2 guarantees, and letters of credit.

3 ~~(17)~~ (18) To enter into agreements providing for the <—
4 acquisition of projects comprising or including public
5 facilities for financing purposes only.

6 [(16)] ~~(18)~~ (19) To adopt rules and regulations containing <—
7 such restrictions as it may deem necessary or appropriate to
8 effectuate the public purposes of this act.

9 ~~(19)~~ (20) To finance all or part of a Pennvest project which <—
10 meets the requirements of section 6.3(a) of this act.

11 [(17)] ~~(20)~~ (21) To do any act necessary or convenient to <—
12 the exercise of the foregoing powers or reasonably implied
13 therefrom.

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

1 industrial and commercial development authorities.] and other
2 types of financing as in the judgment of the financing authority
3 shall be necessary to provide sufficient funds for any series of <—
4 related or unrelated projects; (i) provided that the issuance by
5 the financing authority of taxable or tax exempt bonds on behalf
6 of projects comprising industrial facilities, commercial
7 facilities, pollution control facilities, energy conversion
8 facilities, energy producing facilities, and disaster relief
9 project facilities, shall have been authorized by an industrial
10 and commercial development authority or a group of industrial
11 and commercial development authorities or by an industrial
12 development agency or a group of industrial and development
13 agencies; (ii) further provided that the financing authority may
14 issue taxable or tax-exempt bonds on behalf of Pennvest projects
15 only if the applicant has first applied to the Pennsylvania
16 Infrastructure Investment Authority for financing under the
17 provisions of the act of March 1, 1988 (P.L.82, No.16), known as
18 the "Pennsylvania Infrastructure Investment Authority Act," and
19 the Pennsylvania Infrastructure Investment Authority in writing
20 refers the applicant to the financing authority to finance all
21 or part of the Pennvest project in accordance with this act; and
22 (iii) further provided that the issuance by the financing
23 authority of taxable or tax-exempt bonds for a public facility
24 other than a Pennvest project shall have been authorized by a
25 municipality, municipal authority or Commonwealth agency. The
26 financing authority is authorized and empowered to use the
27 proceeds of any bonds issued for the making of loans, purchasing
28 loans, mortgages, security interests, or loans participations
29 and paying all incidental expenses in connection therewith,
30 paying expenses of authorizing and issuing the bonds, paying

1 interest on the bonds until revenues thereof are available in
2 sufficient amounts, and funding such reserves as the financing
3 authority deems necessary and desirable.

4 (b) The financing authority, whenever it deems it expedient,
5 shall have the power to refund [or renew] any bonds PREVIOUSLY <—
6 ISSUED BY THE FINANCING AUTHORITY OR ANY OTHER ENTITY by the
7 issuance of new bonds whether the bonds to be refunded [or <—
8 renewed] have or have not matured. Refunding bonds shall be sold <—
9 and the proceeds applied to the purchase, redemption or payment
10 of the bonds to be refunded, the establishment or increase in
11 reserves to secure or to pay the bonds or interest thereon and
12 all other costs or expenses of the financing authority incident
13 to and necessary to carry out the refunding [or renewing] of <—
14 bonds.

15 (c) Bonds issued under this section shall not be a debt or
16 liability of the Commonwealth of Pennsylvania or of any of its
17 political subdivisions other than the financing authority and
18 shall not create or constitute any indebtedness, liability or
19 obligation of the Commonwealth or of any political subdivision,
20 but all bonds shall be payable solely from revenues or funds
21 pledged or available for their payment as authorized in this
22 section, including the proceeds of any issue of bonds. Each bond
23 shall contain on its face a statement to the effect that the
24 financing authority is obligated to pay the principal thereof or
25 the interest thereon only from its revenues, receipts or funds
26 pledged or available for their payment as authorized in this
27 act, and that neither the Commonwealth nor any political
28 subdivisions are obligated to pay the principal or interest, and
29 that neither the faith and credit nor the taxing power of the
30 Commonwealth nor any political subdivision is pledged to the

1 payment of the principal of or the interest on the bonds.

2 (d) If the bonds issued by the financing authority are
3 [exempt from Federal income taxes under Federal law,] tax-exempt
4 bonds for which Federal law requires an allocation the
5 Department of Commerce shall issue an allocation charging such
6 small issue project's pro rata share of the issue to the county
7 in which said project is to be located provided that the project
8 requires a type of allocation distributed by the department to
9 the counties.

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

22 (f) Neither the members of the board of the financing
23 authority nor any person executing the bonds shall be liable
24 personally on the bonds or be subject to any personal liability
25 or accountability by reason of the issuance thereof.

26 (g) (1) Bonds issued in accordance herewith shall be
27 authorized by resolution of the financing authority. The bonds
28 shall be of such series, bear any date or dates, mature at such
29 time or times, [not exceeding thirty years from their respective
30 dates,] bear interest at any rate or rates or at variable rates,

1 be of any denomination or denominations, be in any form, either
2 coupon or registered, carry any conversion or registration
3 privileges, have any rank or priority, be executed in any
4 manner, be payable from such sources in any medium of payment at
5 any place or places and at any time or times within or without
6 this Commonwealth and be subject to any terms of redemption,
7 purchase or tender by the financing authority or the holders
8 thereof, with or without premium, as the resolution or
9 resolutions may provide.

10 (2) The bonds shall be signed by or shall bear the facsimile
11 signature of such officers as the financing authority shall
12 determine, and coupon bonds shall have attached thereto [in]
13 interest coupons bearing the facsimile signature of the chairman
14 of the financing authority, all as may be prescribed in such
15 resolution or resolutions.

16 (3) Bonds may be issued and delivered, notwithstanding that
17 one or more of the officers signing such bonds shall have ceased
18 to be such officer or officers at the time when such bonds shall
19 actually be delivered.

20 (4) Bonds may be sold at public or private sales for such
21 price or prices as the financing authority shall determine[.], <—
22 SUBJECT TO THE REQUIREMENT THAT THE CHAIRMAN SHALL ENSURE THAT
23 MINORITY-OWNED OR MINORITY-CONTROLLED FIRMS SHALL HAVE AN
24 OPPORTUNITY TO PARTICIPATE TO A SIGNIFICANT DEGREE IN ANY BOND
25 SALE ACTIVITIES. Pending the preparation of the definitive
26 bonds, interim receipts may be issued to the purchaser or
27 purchasers thereof and may contain such terms and conditions as
28 the financing authority may determine.

29 (5) Any bond reciting in substance that it has been issued
30 by the financing authority to aid in the financing of one or

1 more projects to accomplish the public purposes of this act
2 shall be conclusively deemed in proceedings involving the
3 validity or enforceability of such bond or security therefor, to
4 have been issued for such purpose.

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

8 (1) Secure the bonds.

9 (2) Make covenants against pledging all or part of its
10 revenues or receipts to other parties.

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

15 (4) Make covenants as to additional bonds to be issued, the
16 limitations thereon, the terms and conditions thereof, and the
17 custody, application, investment and disposition of the proceeds
18 thereof.

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

20 (6) Make covenants as to the payment of principal of or
21 interest on bonds, the sources and methods of the payment, the
22 rank or priority of bonds with respect to liens or security
23 interests or the acceleration of maturity of bonds.

24 (7) Provide for replacement of lost, stolen, destroyed or
25 mutilated bonds.

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

29 (9) Make covenants to create or authorize the creation of
30 special funds or accounts to be held in trust or otherwise for

1 the benefit of holders of bonds, or of reserves for other
2 purposes and as to the use, investment and disposition of moneys
3 held in those funds, accounts or reserves.

4 (10) Provide for the rights, liabilities, powers and duties
5 arising upon the breach of a covenant, condition or obligation,
6 and prescribe the events of default and the terms and conditions
7 upon which any or all of the bonds shall become or may be
8 declared due and payable before maturity and the terms and
9 conditions upon which the declaration and its consequences may
10 be waived.

11 (11) Vest in a trustee or trustees within or without this
12 Commonwealth in trust any property, rights, powers and duties as
13 the financing authority may determine. These may include any or
14 all of the rights, powers and duties of any trustee appointed by
15 the holders of bonds or notes, including rights with respect to
16 the sale or other disposition of notes and bonds of governmental
17 units and other instruments and security pledged pursuant to a
18 resolution or trust indenture for the benefit of the holders of
19 bonds and the right by suit or action to foreclose any mortgage
20 pledged pursuant to the resolution [of] or trust indenture for
21 the benefit of the holders of the bonds, notes or other
22 obligations, and to limit the right of the holders of any bonds
23 to appoint a trustee under this act, and to limit the rights,
24 powers and duties of the trustee.

25 (12) Pay the costs or expenses incident to the enforcement
26 of the bonds or of the provisions of the resolution authorizing
27 the issuance of those bonds, or the trust indenture securing the
28 bonds or of any covenant or agreement of the financing authority
29 with the holders of the bonds, notes or other obligations.

30 (13) Limit the rights of the holders of any bonds to enforce

1 any pledge or covenant securing bonds.

2 (14) Make covenants other than or in addition to the
3 covenants authorized by this act of like or different character,
4 and make covenants to do or refrain from doing any acts and
5 things as may be necessary, or convenient and desirable, in
6 order to better secure bonds or which, in the absolute
7 discretion of the financing authority, will tend to make bonds
8 more marketable, notwithstanding that the covenants, acts or
9 things may not be enumerated herein.

10 (i) A pledge of revenues, receipts, moneys, funds or other
11 property or instruments made by the financing authority shall be
12 valid and binding from the time when the pledge is made. The
13 revenues, receipts, moneys, funds or other property pledged and
14 thereafter received by the financing authority shall be
15 immediately subject to the lien of the pledge without its
16 physical delivery or further act, and the lien of any pledge
17 shall be valid and binding as against all parties having claims
18 of any kind in tort, contract or otherwise against the financing
19 authority irrespective of whether the parties have notice of the
20 lien. [Neither the resolution nor any other] NO instrument by
21 which a pledge under this section is created [or evidence],
22 EVIDENCED OR NOTICED need be filed or recorded except in the
23 records of the financing authority.

<—

<—

24 (j) Whether or not the bonds are of a form and character as
25 to be negotiable instruments under the terms of Title 13 of the
26 Pennsylvania Consolidated Statutes (relating to commercial
27 code), the bonds are made negotiable instruments within the
28 meaning of and for the purposes of Title 13, subject only to the
29 provisions of the bonds for registration.

30 (k) The rights and remedies herein conferred upon or granted

1 to the bondholders shall be in addition to and not in limitation
2 of any rights and remedies lawfully granted to such bondholders
3 by the resolution or resolutions providing for the issuance of
4 bonds or by any indenture or other agreement under which the
5 same may be issued.

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

8 (1) The industrial and commercial development authority has
9 obtained firm commitments satisfactory to the financing
10 authority from responsible financial sources, which may include
11 a Federal agency, beneficial owner or the project occupant, for
12 the portion of project costs in excess of any loan requested
13 from the financing authority;

14 (2) The industrial and commercial development authority has
15 obtained a firm commitment satisfactory to the financing
16 authority from the project occupant or beneficial owner to lease
17 or use the project after construction, acquisition,
18 rehabilitation or improvement is completed;

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

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

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

30 (1) No funds of the financing authority shall be used in

1 respect of any project if the financing authority would be
2 required to operate, service or maintain the project pursuant to
3 any lease or other agreement except upon foreclosure or except
4 upon the occurrence of a default in the payment or terms of any
5 loan made. Nothing shall prevent the financing authority from
6 transferring such property to the project occupant or its
7 designee at the end of the term of such financing.

8 (2) No provisions of this act shall prevent the inclusion in
9 a mortgage, lease or other agreement relating to an assisted
10 project of a provision granting the project occupant the right
11 to purchase such project upon such terms and conditions as the
12 financing authority may approve.] The financing authority shall
13 ascertain to its satisfaction that:

14 (1) Firm commitments satisfactory to the financing authority
15 have been obtained from responsible financial sources, which may
16 include a Federal agency, project applicant or the project user,
17 for the portion of project costs in excess of any loan requested
18 from the financing authority.

19 (2) A firm commitment satisfactory to the financing
20 authority from the project applicant or project user has been
21 obtained to lease or use the project after acquisition is
22 completed.

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

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

27 (b) In addition to other provisions of this section limiting
28 the power of the financing authority to make loans in respect to
29 a particular project no funds of the financing authority shall
30 be used in respect of any project if the financing authority

1 would be required to operate, service or maintain the project
2 pursuant to any lease or other agreement except upon foreclosure
3 or except upon the occurrence of a default in the payment or
4 terms of any loan made. Nothing shall prevent the financing
5 authority from transferring such property to the project
6 applicant, project user or either of their designees at the end
7 of the term of such financing.

8 Section 6.5. Industrial and Commercial Development

9 Authorities.--To be eligible for loans from the financing
10 authority, an industrial and commercial development authority or
11 industrial development agency shall meet the following
12 requirements in addition to any others imposed by the provisions
13 of this act:

14 (1) The industrial and commercial development authority or
15 industrial development agency shall be incorporated.

16 (2) The industrial and commercial development authority or
17 industrial development agency shall agree to be bound by the
18 rules and regulations of the financing authority relating to
19 assisted projects and the operations of industrial and
20 commercial development authorities or as may be applicable,
21 industrial development agencies and shall submit to examination
22 of its books of accounts and corporate records by the financing
23 authority at such times as the financing authority may require
24 during the term of any loan made to it by the financing
25 authority.

26 (3) The provisions of the act of December 20, 1985 (P.L.483,
27 No.113), known as the "Tax-Exempt Bond Allocation Act," shall
28 not apply to restrict the powers of the financing authority
29 under section 6.2 of this act or the powers of any local
30 industrial and commercial development authority [or the

1 Secretary of Commerce] under this act with respect to any
2 [economic development] project being financed out of the
3 proceeds of obligations which are not exempt from Federal income
4 taxation.

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

8 Section 7. Purposes and Powers; Bonds.--(a) An authority
9 shall have the power to issue bonds for any of its corporate
10 purposes, provided, however, the principal, interest and other
11 charges thereon are payable solely and exclusively (i) from
12 revenues received from the project applicant or project user or
13 from the income, revenues and property of the project financed,
14 in whole or in part, with the proceeds of such bonds; (ii) from
15 the income and revenues of certain designated projects whether
16 or not they were financed, in whole or in part, with the
17 proceeds of such bonds; or (iii) from its revenues generally.

18 (b) The bonds of any authority shall be authorized by
19 resolution of the board thereof, shall be of such series, bear
20 such date or dates, mature at such time or times, [not exceeding
21 forty years from their respective date,] bear interest at such
22 rate or rates, [payable at least semi-annually,] be in such
23 denominations, be in such form, either coupon or fully
24 registered without coupons, carry such registration,
25 exchangeability and interchangeability privileges, be payable in
26 any medium of payment and at such place or places and at such
27 time or times, be subject to such terms of redemption, with or
28 without premium, and be entitled to such priorities in the
29 revenues or receipts of such authority as such resolution or
30 resolutions may provide. The bonds shall be signed by or shall

1 bear the facsimile signature of such officers as the authority
2 shall determine, and coupon bonds shall have attached thereto
3 interest coupons bearing the facsimile signature of the
4 treasurer of the authority, all as may be prescribed in such
5 resolution or resolutions. Any such bonds may be issued and
6 delivered, notwithstanding that one or more of the officers
7 signing such bonds or the treasurer whose facsimile signature
8 shall be upon the coupon, shall have ceased to be such officer
9 or officers at the time when such bonds shall actually be
10 delivered. Said bonds may be sold at public or private sale for
11 such price or prices as the authority shall determine. Pending
12 the preparation of the definitive bonds, interim receipts may be
13 issued to the purchaser or purchasers of such bonds, and may
14 contain such terms and conditions as the authority may
15 determine. Any bond reciting in substance that it has been
16 issued by an authority to aid in the financing of a project to
17 accomplish the public purposes of this act shall be conclusively
18 deemed in proceedings involving the validity or enforceability
19 of such bond or security therefor, to have been issued for such
20 purpose.

21 (c) Any resolution or resolutions authorizing any bonds may
22 contain provisions which shall be part of the contract with the
23 holders thereof, as to (i) pledging the full faith and credit of
24 the authority (but not of the Commonwealth of Pennsylvania or
25 any political subdivision thereof) for such obligations, or
26 restricting the same to all or any of the assets or to all or
27 any of the revenues or receipts of the authority from all or any
28 projects or properties; (ii) the [construction, improvement,
29 operation, extension, enlargement, maintenance and repair]
30 acquisition of the project and the duties of the authority and

1 the [occupant] project applicant or project user with reference
2 thereto; (iii) the terms and provisions of the bonds; (iv)
3 limitations on the purposes to which the proceeds of the bonds
4 then or thereafter to be issued, or of any loan or grant by a
5 Federal agency may be applied; (v) the rentals and other charges
6 for use [of] or sale of, or loan payments for the financing of,
7 the project; (vi) the setting aside of reserves or sinking funds
8 and the regulation and disposition thereof; (vii) limitations on
9 the issuance of additional bonds; (viii) the terms and
10 provisions of any deed of trust, mortgage or indenture securing
11 the bonds, or under which the same may be issued, and (ix) any
12 other or additional agreements with the holders of the bonds.

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

1 the resolutions authorizing the issuance of the same.

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

5 (f) No bonds shall be issued and sold and the construction
6 of a project shall not be commenced until the proceedings to be
7 undertaken in respect of the issuance and sale of the bonds and
8 the construction of the project have been first approved by the
9 secretary: Provided, That construction of disaster relief
10 projects and projects consisting of pollution control facilities
11 may be commenced prior to the approval of the secretary: And
12 provided further, That in respect to disaster relief projects,
13 an application for approval in respect thereof is submitted to
14 the secretary within six months after the county in which the
15 project is or will be located has been designated as a disaster
16 area by the President of the United States. The chairman of the
17 authority shall cause to be certified under seal of the
18 authority and delivered to the secretary such documents relating
19 to the proceedings as may be necessary and as may be required by
20 the secretary to enable him to determine that:

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

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

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

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

27 If such proceedings are found to be in conformity with this
28 act, the secretary shall within twenty days after receipt
29 thereof approve the same and certify his approval to the
30 authority.

1 If, upon examination, the secretary shall find that such
2 proceedings are not in accordance with this act, he shall
3 disapprove the same and shall within twenty days after receipt
4 thereof certify his disapproval to the authority; thereafter, it
5 shall be unlawful for such authority to issue any bonds upon
6 such proceedings or to commence construction of the project
7 unless the proceedings are corrected and as corrected have been
8 approved by the secretary. If the secretary shall not have
9 approved or disapproved the proceedings within such twenty days
10 the same shall be deemed to have been approved. The decision of
11 the secretary shall be final.

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

25 (e) A pledge of revenues, receipts, moneys, funds or other
26 property or instruments made by an authority shall be valid and
27 binding from the time when the pledge is made. The revenues,
28 receipts, moneys, funds or other property pledged and thereafter
29 received by an authority shall be immediately subject to the
30 lien of the pledge without the physical delivery of the

1 revenues, receipts, moneys, funds or other property or further
2 act, and the lien of any pledge shall be valid and binding as
3 against all parties having claims of any kind in tort, contract
4 or otherwise against the authority irrespective of whether the
5 parties have notice of the lien. ~~Neither the resolution nor any~~ <—
6 ~~other~~ NO instrument by which a pledge under this section is <—
7 ~~created or evidenced~~, EVIDENCED OR NOTICED need be filed or <—
8 recorded except in the records of the authority.

9 (f) Whether or not the bonds are of a form and character as
10 to be negotiable instruments under the terms of 13 Pa.C.S.
11 (relating to commercial code), the bonds are made negotiable
12 instruments within the meaning of and for the purposes of 13
13 Pa.C.S., subject only to the provisions of the bonds for
14 registration.

15 (g) The secretary is authorized to issue rulings pertaining
16 to the interpretation of the provisions of this act, which
17 rulings may be relied upon by an authority or the financing
18 authority. All rulings issued by the secretary shall be
19 published in the Pennsylvania Bulletin. The secretary may
20 promulgate such regulations as he may deem necessary to carry
21 out the purposes of this act.

22 Section 9. Sections 11 and 12 of the act, amended December
23 19, 1975 (P.L.576, No.165), are amended to read:

24 Section 11. Transfer of Existing Facilities to Authority.--
25 Any municipality may, and it is hereby authorized to sell,
26 lease, grant, convey and transfer to any authority, any
27 facilities, or any interest in real or personal property
28 available for [industrial, specialized, or commercial
29 development] projects. This section without reference to any
30 other law, shall be deemed complete, the provisions of other

1 laws to the contrary notwithstanding.

2 Section 12. Competition in Award of Contracts.--(a) All
3 construction, reconstruction, repairs or work of any nature made
4 directly by any authority where the entire cost, value or amount
5 of such construction, reconstruction, repairs or work, including
6 labor and materials, shall exceed [five thousand dollars <—
7 (\$5,000)] TEN THOUSAND DOLLARS (\$10,000), except construction, <—
8 reconstruction, repairs or work done by employees of said
9 authority, or by labor supplied under agreement with any Federal
10 or State agency, with supplies and materials purchased as
11 hereinafter provided, shall be done only under contract or
12 contracts to be entered into by the authority with the lowest
13 responsible bidder upon proper terms, after due public notice
14 has been given asking for competitive bids as hereinafter
15 provided: Provided, however, That where the authority is the
16 legal title holder to the [industrial, specialized, or
17 commercial development project, and there exists an agreement
18 whereby an occupant or an investor-developer] project, and there
19 exists an agreement whereby a project user or project applicant
20 will or can acquire legal title to the said project under the
21 then certain terms and conditions, contracts for construction,
22 reconstruction, repair, or work of any nature, or purchase of
23 machinery and equipment, may be awarded by the [occupant or the
24 investor-developer] project user or project applicant without
25 regard to the limitations of this section 12: And provided
26 further, however, That for the purposes of this section 12,
27 "construction" or "acquisition" shall not include acquisition of
28 property for [industrial, specialized, or commercial
29 development] project purposes. No contract shall be entered into
30 between an authority and a contractor for construction [or

1 improvement or repair] of any project or portion thereof, unless
2 the contractor shall give an undertaking with a sufficient
3 surety or sureties approved by the authority, and in an amount
4 fixed by the authority, for the faithful performance of the
5 contract. All contracts of surety shall provide among other
6 things that the contractor entering into a contract with the
7 authority will pay for all materials furnished and services
8 rendered for the performance of the contract, and that any
9 person or corporation furnishing such materials or rendering
10 such services may maintain an action to recover for the same
11 against the obligor in the undertaking, as though such person or
12 corporation was named therein, provided the action is brought
13 within one year after the time the cause of action accrued.

14 (b) All supplies and materials costing [two thousand five <—
15 hundred dollars (\$2500)] TEN THOUSAND DOLLARS (\$10,000) or more <—
16 to be purchased directly by an authority shall be purchased only
17 after due advertisement as hereinafter provided. The authority
18 shall accept the lowest bid or bids, kind, quality and material
19 being equal, but the authority shall have the right to reject
20 any or all bids or select a single item from any bid. The
21 provisions as to bidding shall not apply to the purchase of
22 patented and manufactured products offered for sale in a
23 noncompetitive market or solely by a manufacturer's authorized
24 dealer.

25 (c) The terms "advertisement" or "due public notice"
26 wherever used in this section, shall mean a notice published at
27 least ten days before the award of any contract, in a newspaper
28 of general circulation published in the municipality where the
29 authority has its principal office, and if no newspaper is
30 published therein then by publication in a newspaper in the

1 county where the authority has its principal office: Provided,
2 That such notice may be waived where the authority determines an
3 emergency exists, and such supplies and materials must be
4 immediately purchased by the said authority.

5 (d) No member of the authority or officer or employe thereof
6 shall, either directly or indirectly, be a party to or be in any
7 manner interested in any contract or agreement with the
8 authority for any matter, cause or thing whatsoever by reason
9 whereof any liability or indebtedness shall in any way be
10 created against such authority. If any contract or agreement
11 shall be made in violation of the provisions of this section the
12 same shall be null and void and no action shall be maintained
13 thereon against such authority.

14 (e) Subject to the aforesaid, any authority may (but without
15 intending by this provision to limit any powers of such
16 authority) enter into and carry out such contracts, or establish
17 or comply with such rules and regulations concerning labor and
18 materials and other related matters in connection with any
19 project or portion thereof, as the authority may deem desirable,
20 or as may be requested by any Federal agency that may assist in
21 the financing of such project or any part thereof.

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

28 (g) Notwithstanding any of the foregoing, all construction,
29 reconstruction, repairs or work of any nature with regard to
30 publicly owned infrastructure facilities, where the entire cost,

1 value or amount of such construction, reconstruction, repairs or
2 work, including labor and materials, shall exceed ~~five thousand~~ <—
3 ~~dollars (\$5,000)~~ TEN THOUSAND DOLLARS (\$10,000), shall be done <—
4 only under contract or contracts to be entered into by the
5 authority or the owner of the infrastructure facility, with the
6 lowest responsible bidder upon proper terms, after due public
7 notice has been given asking for competitive bids as set forth
8 in this section or other applicable law.

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

11 Section 13. Limitation of Powers.--The Commonwealth does
12 hereby pledge to and agree with any person, firm or corporation,
13 or Federal agency subscribing to or acquiring the bonds to be
14 issued by the authority or the financing authority for the
15 [construction, extension, improvement or enlargement]
16 acquisition or financing of any project or part thereof, that
17 the Commonwealth will not limit or alter the rights hereby
18 vested in the authority or the financing authority until all
19 bonds at any time issued, together with the interest thereon are
20 fully met and discharged. The Commonwealth of Pennsylvania does
21 further pledge to and agree with the United States and any other
22 Federal agency that, in the event that any Federal agency shall
23 construct or contribute any funds for the [construction,
24 extension, improvement or enlargement] acquisition or financing
25 of any project or any portion thereof, the Commonwealth will not
26 alter or limit the rights and powers of the authority or the
27 financing authority in any manner which would be inconsistent
28 with the continued maintenance and operation of the project, or
29 the improvement thereof, or which would be inconsistent with the
30 due performance of any agreements between the authority or the

1 financing authority and any such Federal agency, and the
2 authority or the financing authority shall continue to have and
3 may exercise all powers herein granted, so long as the same
4 shall be necessary or desirable for the carrying out of the
5 purposes of this act and the purposes of the United States in
6 the [construction or improvement or enlargement] acquisition or
7 financing of the project or such portion thereof.

8 Section 15. Exemption From Taxation.--The effectuation of
9 the authorized purpose of authorities created under section 4 of
10 this act and the financing authority created under section 6.1
11 of this act shall and will be in all respects for the benefit of
12 the people of the Commonwealth of Pennsylvania, for the increase
13 of their commerce and prosperity, and for the improvement of
14 their health and living conditions; and, since they will as
15 public instrumentalities of the Commonwealth be performing
16 essential governmental functions in effectuating such purposes,
17 authorities and the financing authority shall not be required to
18 pay any taxes or assessments upon any property acquired or used
19 by them for such purposes, and the bonds issued by any authority
20 or by the financing authority, their transfer and the income
21 therefrom[,] (including any profits made on the sale thereof),
22 shall at all times be free from taxation within the Commonwealth
23 of Pennsylvania.

24 SECTION 11. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

25 SECTION 15.1. MASS TRANSPORTATION AUTHORITY.--THE
26 PARTICIPATION OF MASS TRANSPORTATION AUTHORITIES IS OPTIONAL
27 SUBJECT TO THE APPROVAL OF THE TRANSPORTATION AUTHORITY.

28 Section ~~11~~ 12. This act shall not apply to bonds or other <—
29 evidences of indebtedness issued by an authority or the
30 financing authority prior to the effective date of this act.

1 Section ~~12~~ 13. This act shall take effect immediately.

<—