

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1720 Session of  
1993

INTRODUCED BY DALEY, KASUNIC, LESCOVITZ, STISH AND HANNA,  
JUNE 7, 1993

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 7, 1993

AN ACT

1 Amending the act of August 23, 1967 (P.L.251, No.102), entitled,  
2 as amended, "An act providing for the incorporation as public  
3 instrumentalities of the Commonwealth and as bodies corporate  
4 and politic of industrial and commercial development  
5 authorities for municipalities, counties and townships;  
6 prescribing the rights, powers and duties of such authorities  
7 hereafter incorporated; authorizing such authorities to  
8 acquire, by gift or purchase, to construct, improve and  
9 maintain industrial, specialized, or commercial development  
10 projects including projects for the elimination or prevention  
11 of blight and the control of air and water pollution, and to  
12 borrow money and issue bonds therefor; providing for the  
13 payment of such bonds and giving security therefor, and  
14 prescribing the rights of the holders of such bonds;  
15 authorizing the lease or sale of industrial, specialized, or  
16 commercial development projects to industrial, specialized,  
17 or commercial enterprises; authorizing any county,  
18 municipality or township to transfer or convey to such  
19 authorities, any facilities or property available for  
20 industrial, specialized, or commercial development projects;  
21 exempting the property and securities of such authorities  
22 from taxation; authorizing such authorities to enter into  
23 contracts with and to accept grants from the Federal  
24 Government or any agency thereof; and providing for approval  
25 by the Secretary of Commerce of the proceedings relating to  
26 industrial, specialized, or commercial development projects  
27 of such authorities," further providing for definitions, for  
28 applicable elected representatives, for purposes and powers,  
29 for powers of the financing authority, for financing  
30 authority indebtedness, for financing authority loans, for  
31 industrial and commercial development authorities, for bonds  
32 and for competition in award of contracts.

33 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (2) Promote public and private infrastructure.

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

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

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

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

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

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

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

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

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

30 (11) Promote the establishment and development of health

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 designated by such body.

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

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

20 (b) Every authority is hereby granted, and shall have and  
21 may exercise all powers necessary or convenient for the carrying  
22 out of the aforesaid purposes, including but without limiting  
23 the generality of the foregoing, the following rights and  
24 powers:

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 project in excess of the cost of the project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 effectuate the public purposes of this act.

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

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

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



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

28 (b) The financing authority, whenever it deems it expedient,  
29 shall have the power to refund [or renew] any bonds previously  
30 issued by the financing authority or any other entity by the

1 issuance of new bonds whether the bonds to be refunded [or  
2 renewed] have or have not matured. Refunding bonds shall be sold  
3 and the proceeds applied to the purchase, redemption or payment  
4 of the bonds to be refunded, the establishment or increase in  
5 reserves to secure or to pay the bonds or interest thereon and  
6 all other costs or expenses of the financing authority incident  
7 to and necessary to carry out the refunding [or renewing] of  
8 bonds.

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

1 Commonwealth nor any political subdivision is pledged to the  
2 payment of the principal of or the interest on the bonds.

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

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

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

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

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

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

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

21 (4) Bonds may be sold at public or private sales for such  
22 price or prices as the financing authority shall determine[.],  
23 subject to the requirement that the chairman shall ensure that  
24 minority-owned or minority-controlled firms shall have an  
25 opportunity to participate to a significant degree in any bond  
26 sale activities. Pending the preparation of the definitive  
27 bonds, interim receipts may be issued to the purchaser or  
28 purchasers thereof and may contain such terms and conditions as  
29 the financing authority may determine.

30 (5) Any bond reciting in substance that it has been issued

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

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

9 (1) Secure the bonds.

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

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

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

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

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

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

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

30 (9) Make covenants to create or authorize the creation of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

(b) In addition to other provisions of this section limiting the power of the financing authority to make loans in respect to a particular project, no funds of the financing authority shall

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

9 Section 6.5. Industrial and Commercial Development

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

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

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

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

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

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

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

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

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

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

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

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

1 bondholders); and (iv) the terms and provisions of the bonds or  
2 the resolutions authorizing the issuance of the same.

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

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

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

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

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

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

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

1 authority.

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

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

26 (e) A pledge of revenues, receipts, moneys, funds or other  
27 property or instruments made by an authority shall be valid and  
28 binding from the time when the pledge is made. The revenues,  
29 receipts, moneys, funds or other property pledged and thereafter  
30 received by an authority shall be immediately subject to the

1 lien of the pledge without the physical delivery of the  
2 revenues, receipts, moneys, funds or other property or further  
3 act, and the lien of any pledge shall be valid and binding as  
4 against all parties having claims of any kind in tort, contract  
5 or otherwise against the authority irrespective of whether the  
6 parties have notice of the lien. No instrument by which a pledge  
7 under this section is created, evidenced or noticed need be  
8 filed or 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 ten thousand  
3 dollars (\$10,000), shall be done only under contract or  
4 contracts to be entered into by the authority or the owner of  
5 the infrastructure facility, with the lowest responsible bidder  
6 upon proper terms, after due public notice has been given asking  
7 for competitive bids as set forth in this section or other  
8 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 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 13.   This act shall take effect immediately.