

GENERAL STATE AUTHORITY ACT OF ONE THOUSAND NINE HUNDRED
FORTY-NINE, THE

Act of Mar. 31, 1949, P.L. 372, No. 34

Cl. 64

AN ACT

To promote the welfare of the people of the Commonwealth; creating The General State Authority as a body corporate and politic with power to construct, improve, equip, furnish, and operate projects, and to lease the same, and to fix fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds for said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Property and Supplies to grant, assign, convey, or lease to the Authority lands of the Commonwealth and interests therein, and to acquire lands therefor; granting the right of eminent domain; empowering The General State Authority to sell and convey projects and property to the Commonwealth; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act.

Compiler's Note: Section 2(a)(5) of Act 577 of 1965 provided that Act 34 is repealed insofar as it authorizes the contracting of insurance for any department, board, agency, commission or other activity of this Commonwealth through an insurance broker other than the Secretary of Property and Supplies.

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

Section 1. This act may be cited as "The General State Authority Act of one thousand nine hundred forty-nine."

Section 2. Definitions.--The following terms, whenever used or referred to in this act, shall have the following meanings, except in those instances where the context clearly indicates otherwise:

(a) The term "Authority" shall mean the body politic and corporate created by this act.

(b) The term "department" shall mean the Department of Property and Supplies as the same exists under The Administrative Code of one thousand nine hundred twenty-nine, or as it may exist by amendment of said code.

(c) The term "project" shall mean any structure, facility, or undertaking which the Authority is authorized to construct, improve, equip, furnish, maintain, acquire, or operate under the provisions of this act.

(d) The term "board" shall mean the governing body of the Authority.

(e) The term "person" shall mean and include natural persons, firms, associations, corporations, business trust, partnerships, and public bodies.

(f) The term "Federal agency" shall mean and include the United States of America, the President of the United States of America, and any department of, or corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the United States of America.

(g) The term "bonds" shall mean and include the notes, bonds, and other evidences of indebtedness or obligations which the authority is authorized to issue pursuant to section four (i) of this act.

(h) The term "construction" shall mean and include acquisition and construction, and the term "to construct" shall mean and include to acquire and to construct all in such manner as may be deemed desirable.

(i) The term "improvement" shall mean and include extension, enlargement, and improvement, and the term "to improve" shall mean and include to extend, to enlarge, and to improve all in such manner as may be deemed desirable.

(j) The terms "equipment" and "furnishings" shall mean and include any equipment and furnishings whatsoever as may be deemed desirable and required by the lessee of a project for the use and occupancy of such project, and the terms "to equip" or "to furnish" shall mean and include the installation of such equipment and furnishings.

Section 3. The General State Authority.--The Governor of the State, the State Treasurer, the Auditor General, the Secretary of Labor and Industry, the Secretary of Property and Supplies, the Speaker of the House of Representatives and the President pro tempore of the Senate, the minority leader of the Senate, the minority leader of the House of Representatives, and their respective successors in office, and three citizens of Pennsylvania, one to be appointed by the Governor, one by the Speaker of the House of Representatives, and one by the President pro tempore of the Senate, are hereby created a body corporate and politic, constituting a public corporation and governmental instrumentality by the name of "The General State Authority." The President pro tempore of the Senate and minority leader of the Senate and the Speaker of the House of Representatives and minority leader of the House of Representatives may designate any member of the Senate or House, respectively, to act in their stead to serve at the discretion of the respective President pro tempore and Speaker of the House

of Representatives or minority leader. Said members of the Authority shall be entitled to no compensation for their services as members, but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The term of the member appointed by the Governor shall expire with the term of the Governor appointing him. The terms of the two other appointed members shall expire on the first Tuesday of January of the odd-numbered year following the date of their appointment. Any vacancy happening among the appointed members of the Authority shall be filled by appointment by the Governor, Speaker of the House of Representatives, or President pro tempore of the Senate, as the case may be.

(3 amended July 18, 1968, P.L.417, No.191)

Section 4. Purposes and Powers; General.--The Authority is created for the purpose of constructing, improving, equipping, furnishing, maintaining, acquiring and operating sewers, sewer systems, and sewage treatment works for State institutions of every kind and character (heretofore or hereafter constructed), public buildings for the use of the Commonwealth, an official residence in the City of Harrisburg which shall thereafter be used as the official residence of the Governor of the Commonwealth, municipal exhibition halls, State arsenals, armories, and military reserves, State airports and landing fields, State institutions of every kind and character (heretofore or hereafter constructed), additions and improvements to land grant colleges, the University of Pittsburgh and Temple University, State colleges and Indiana University of Pennsylvania, universities and medical colleges, manual training schools, agricultural and industrial schools receiving State aid, school buildings and the furnishings and equipment thereof for the use of the public schools, resident treatment and research centers for victims of addictive diseases operating under the jurisdiction and control of the Department of Public Welfare, State highways and bridges, toll bridges, tunnels, and traffic circles on State highways, swimming pools, reservoirs and lakes, marinas, marine terminals, port improvements, low head dams, improvements to river embankments, desilting dams, impounding basins, flood control projects, and the purchase of lands for rehabilitation purposes in connection with State institutions and for use of State colleges (any and all the foregoing being herein called "projects"): Provided, however, That the purpose and intent of this act being to benefit the people of the Commonwealth by, among other things, increasing their commerce and prosperity, and not to unnecessarily burden or interfere with existing business by the establishment of competitive enterprises, none of the powers granted hereby (other than for the construction, improvement and maintenance of bridges) shall be exercised in the construction, improvement, maintenance, extension or operation of any project or projects which, in whole or in part, shall duplicate or compete with existing enterprises serving substantially the same purposes. Whenever any bill authorizing the Authority to undertake specific projects becomes law, the Authority shall not undertake any project which at any time was included in such bill but which was not included in the bill as finally passed. The Authority is hereby granted and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including, but without limiting the generality of the foregoing, the following rights and powers: (Par. amended July 20, 1968, P.L.652, No.220)

(a) To have perpetual existence as a corporation.

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

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

(d) To acquire, purchase, hold, and use any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority, and (without limitation of the foregoing) to lease as lessee, with the approval of the Governor, any property, real, personal or mixed, or any interest therein, for a term not exceeding ninety-nine (99) years at a nominal rental or at such annual rental as may be determined and, with the approval of the Governor, to lease as lessor to the Commonwealth of Pennsylvania and any city, county, school district, or other political subdivision, or any agency, department, or public body of the Commonwealth, or land grant college, any project at any time constructed by the Authority, whether wholly or partially completed, and any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed, and with the approval of the Governor, to sell, transfer and convey to the Commonwealth of Pennsylvania, any project at any time constructed by the Authority, and, with the approval of the Governor, to sell, transfer and convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority.
((d) amended Dec. 22, 1955, P.L.893, No.274)

(e) To acquire by purchase, lease, or otherwise, and to construct, improve, equip, furnish, maintain, repair, and operate projects.

(f) To make by-laws for the management and regulation of its affairs.

(g) To appoint officers, agents, employes, and servants; to prescribe their duties and to fix there compensation.

(h) To fix, alter, charge, and collect rates, rentals, and other charges for the use of the facilities of, or for the services rendered by, the Authority or projects thereof, at reasonable rates, to be determined by it, for the purpose of providing for the payment of the expenses of the Authority, the construction, improvement, repair, equipping, furnishing, maintenance, and operation of its facilities and properties, the payment of the principal of and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.

(i) ((i) repealed July 24, 1969, P.L.183, No.75)

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

(j.1) At its option, to authorize the Department of Property and Supplies to prescribe standards and specifications and make contracts and purchases of various materials and services for the Authority, pursuant to the provisions of sections 2409, 2403, and 2403.1 of the act of April 9, 1929 (P.L.177), known as "The Administrative Code of 1929." ((j.1) added July 10, 1968, P.L.322, No.155)

(k) Without limitation of the foregoing, to borrow money and accept grants from, and to enter into contracts, leases or other transactions with, any Federal agency: Provided, That any unused borrowing capacity which may become available due to the operation of the Higher Education Facilities Act of 1963 (Public Law 88-204) or by reason of any Federal grant from any other source for any project at any State college, Indiana University of Pennsylvania, the Pennsylvania State University, the

University of Pittsburgh or Temple University shall be used only for academic buildings or other similar facilities as approved by the Superintendent of Public Instruction for the university or college originally receiving the Federal grant. ((k) amended July 20, 1968, P.L.652, No.220)

(l) To have the power of eminent domain.

(m) To pledge, hypothecate, or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority.

(n) To do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other acts.

(o) To enter into agreements with the Secretary of Highways of the Commonwealth of Pennsylvania, providing for the construction or reconstruction of highways and bridges by the Authority and the acquisition of toll bridges by the Authority, under such terms and conditions as may be mutually agreed upon.

(p) To acquire, by assignment from the Commonwealth, contracts which are not completed and which involve constructing, improving, equipping, furnishing, maintaining, and operating the structures, facilities, or undertaking similar to those designated herein as projects.

Except as otherwise provided by law, when projects are to be constructed, improved, equipped, furnished, maintained, repaired or operated for the use of any department of the Commonwealth, as hereinbefore listed in this section, no plans or specifications therefor shall be presented for quotations or bids until such plans and specifications shall have been submitted to and approved by the department of the Commonwealth which shall use such project, the Department of Property and Supplies and the Department of Labor and Industry, so that the project will conform to standards established by these departments. (Par. amended Jan. 21, 1966, 1965 P.L.1446, No.523)

The Department of Property and Supplies shall communicate its approval or disapproval of such plans and specifications to the Authority within ninety days after its receipt thereof. In the event of the disapproval of such plans and specifications within said ninety day period the Authority may submit other plans and specifications to the Department of Property and Supplies in which case the provisions hereof with respect to approval or disapproval shall apply thereto. The failure of the Department of Property and Supplies to communicate its approval or disapproval of such plans and specifications to the Authority within said ninety day period shall constitute its automatic approval thereof. (Par. added Jan. 21, 1966, 1965 P.L.1446, No.523)

Provided further, That the Authority shall have no power at any time or in any manner to pledge the credit or taxing power of the Commonwealth or any of its cities, counties, school districts, or other political subdivisions, nor shall any of its obligations or debts be deemed to be obligations of the Commonwealth or any of its cities, counties, school districts, or political subdivisions, nor shall the Commonwealth or any city, county, school district, or political subdivision thereof be liable for the payment of principal of, or interest on, such obligations.

Compiler's Note: The Department of Public Welfare, referred to in this section, was redesignated as the Department of Human Services by Act 132 of 2014.

Section 4.1. Construction of Amendments.--Whenever two (2) or more amendments to clause (i) of section 4 of this act which

raise the capacity of the Authority to borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness or obligations are enacted at the same or different sessions of the Legislature, one (1) amendment overlooking or making no reference to the other or others, the amendments shall be construed together and the aggregate borrowing capacity shall be the sum of the increases contemplated by all such amendments added to the aggregate borrowing capacity as it existed prior to the adoption of any such amendment unless a contrary intent is specifically stated in such amendments.

(4.1 added July 20, 1968, P.L.652, No.220)

Section 4.2. General State Authority as Agent for Commonwealth.--The Authority shall also have power to act as agent for the Commonwealth, when requested by the Governor, in the acquisition, construction, improvement, equipping, furnishing or maintenance of any project now or hereafter specifically itemized in a capital budget, including the acquisition by purchase, or pursuant to the power of eminent domain conferred by this act, in the name of and on behalf of the Commonwealth of Pennsylvania of any property, real, personal, or mixed deemed necessary or advisable in connection with any project in which it acts as agent for the Commonwealth, provided, however, the powers herein granted shall not cover any project upon which any proceeds of any bonds issued by the Authority have been or may hereafter be expended.

It shall not be necessary for the Authority to lease to the Commonwealth any such projects in which it has so acted as agent nor to hold title to such projects or properties.

(4.2 added Nov. 25, 1970, P.L.705, No.229)

Section 5. Purposes and Powers; Bonds.--Such bonds are hereby made securities in which all officers of the State and its political subdivisions and municipal officers and administrative departments, boards and commissions of the Commonwealth, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who now or may hereafter be authorized to invest in bonds or other obligations of the Commonwealth, may properly and legally invest any funds including capital, belonging to them or within their control, and said bonds or other securities or obligations are hereby made securities which may properly and legally be deposited with, and received by, the Federal Reserve Bank, any State or municipal officers or agency of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

Said bonds shall have all the qualities of negotiable instruments under the law merchant and the negotiable instruments law of the Commonwealth of Pennsylvania.

(5 amended June 21, 1963, P.L.169, No.101 and repealed in part July 24, 1969, P.L.183, No.75)

Section 6. Remedies of Bondholders.--The rights and the remedies, herein conferred upon or granted to the bondholders, shall be in addition to and not in limitation of any rights and remedies lawfully granted to such bondholders by the resolution or resolutions providing for the issuance of bonds, or by any deed of trust, indenture or other agreement under which the same may be issued. In the event that the Authority shall default in the payment of principal of or interest on any of

the bonds after said principal or interest shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty (30) days, or in the event that the Authority shall fail or refuse to comply with the provisions of this act, or shall default in any agreement made with the holders of the bonds, the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds then outstanding, by instrument or instruments filed in the office of the recorder of deeds of the county, and proved or acknowledge in the same manner as a deed to be recorded, may (except as such right may be limited under the provisions of any deed of trust, indenture or other agreement as aforesaid) appoint a trustee to represent the bondholders for the purposes herein provided. Such trustee and any trustee under any deed of trust, indenture or other agreement may, and, upon written request of the holders of twenty-five per centum (25%) (or such other percentage as may be specified in any deed of trust, indenture or other agreement aforesaid) in principal amount of the bonds then outstanding, shall in his or its own name--

(a) by mandamus or other suit, action, or proceeding at law or in equity enforce all rights of the bondholders, including the right to require the Authority to collect rates, rentals, and other charges, adequate to carry out any agreement as to or pledge of the revenues or receipts of the Authority, and to require the Authority to carry out any other agreements with or for the benefit of the bondholders, and to perform its and their duties under this act;

(b) bring suit upon the bonds;

(c) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the bondholders;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) by notice in writing to the Authority, declare all bonds due and payable, and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum (25%) (or such other percentage as may be specified in any deed of trust, indenture or other agreement aforesaid) of the principal amount of the bonds then outstanding, to annul such declaration and its consequences.

Any trustee, whether appointed as aforesaid or acting under a deed of trust, indenture or other agreement and whether or nor all bonds have been declared due and payable, shall be entitled as of right to the appointment of a receiver, who may (to the same extent that the Authority itself could so do) enter and take possession of the facilities of the Authority, or any parts thereof, the revenues, rentals, or receipts from which are or may be applicable to the payment of the bonds so in default, and operate and maintain the same, and collect and receive all rentals and other revenues thereafter arising therefrom in the same manner as the Authority might do, and shall deposit all such moneys in a separate account, and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustees, the fees, counsel fees, and expenses of the trustee and of the receiver, if any, and all costs and disbursements allowed by the court, shall be a first charge on any revenues and receipts derived from the facilities of the Authority, the revenues or receipts from which are or may be applicable to the payment of the bonds so in default. Said trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the

exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

In addition to all other rights and all other remedies, any holder of bonds of the Authority shall have the right by mandamus or other suit, action, or proceeding at law or in equity to enforce his rights against the Authority, including the right to require the Authority to collect fees, rentals, and other charges adequate to carry out any agreement as to or pledge of such fees, rentals, or other charges, or income revenues and receipts, and to require the Authority to carry out any of its covenants and agreements with the bondholders, and to perform its and their duties under this act: Provided, however, That nothing in this section or any other section of this act shall authorize any receiver appointed pursuant to this act, for the purpose of operating and maintaining any facilities of the Authority, to sell, assign, mortgage, or otherwise dispose of, any of the assets of whatever kind and character belonging to the Authority. It is the intention of this act to limit the powers of such receiver to the operation and maintenance of the facilities of the Authority as the court shall direct, and no holder of bonds of the Authority, nor any trustee, shall ever have the right in any suit, action or proceedings at law or in equity to compel a receiver, now shall any receiver ever be authorized, or any court be empowered to direct the receiver, to sell, assign, mortgage, or otherwise dispose of, any assets of whatever kind or character belonging to the Authority.

Section 7. Governing Body.--The powers of the Authority shall be exercised by a governing body consisting of the members of the Authority acting as a board. Within ninety (90) days after this act shall become effective, the board shall meet and organize by electing from their number a president, a treasurer and a secretary. At the first regular meeting in each year thereafter, they shall elect from their number a president, a treasurer and a secretary.

Seven (7) members shall constitute a quorum of the board for the purpose of organizing the Authority and conducting the business thereof and for all other purposes, and all action shall only be taken by vote of a majority of the members of the Authority, unless in any case the by-laws shall require a larger number.

The board shall have full authority to manage the properties and business of the Authority, and to prescribe, amend, and repeal by-laws, rules, and regulations governing the manner in which the business of the Authority may be conducted, and the powers granted to it may be exercised and embodied and contract regulations which if adopted and promulgated a reasonable time prior to bidding and shall become a part of all contracts to which they apply whether set forth in such contracts or not if incorporated therein by reference. The board shall fix and determine the number of officers, agents, and employes of the Authority and their respective compensation and duties, and may delegate to one or more of their number as a committee or otherwise the exercise of such powers of the board in the interim between meetings of the board as the board may deem appropriate, or to one or more of said officers, agents, or employes such powers and duties as it may deem proper.

The board may take any action by the written consent of at least eleven (11) members of the board after notice to all and the failure of any member to request that the action be taken

only at a meeting, provided that public announcement is made of the proposed action prior to requesting such written consent.

The itemization of capital projects for public improvement purposes to be financed by the incurring of debt and the statement of estimated financial costs shall not prevent the board of the authority from decreasing or increasing the amount to be expended on any one project as may be desirable subject to the limitations imposed by law upon the total amount of bonds that may be issued.

(7 amended July 20, 1968, P.L.652, No.220)

Section 8. Moneys of the Authority.--All moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Said moneys shall be deposited in the first instance by the treasurer in one or more banks or trust companies, in one or more special accounts, and each of such special accounts shall be continuously secured by a pledge of direct obligations of the United States of America, of the Commonwealth, or of the county, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such account. Such securities shall either be deposited with the treasurer or be held by a trustee or agent satisfactory to the Authority. All banks and trust companies are authorized to give such security for such deposits. The moneys in said accounts shall be paid out on the warrant or other order of the treasurer of the Authority, or of such other person or persons as the Authority may authorize to execute such warrants or orders. The Department of Revenue of the Commonwealth, and its legally authorized representatives, are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances, operation, and affairs. In order to reimburse the General Fund appropriation to the Department of Revenue for costs incurred by the Department of Revenue in making such examination or examinations, the Authority shall be billed by the Department of Revenue from time to time, as such examination or examinations are made, upon a cost basis, at such amounts as the Department of Revenue, with approval of the Executive Board, shall determine; and such amounts shall be paid by the Authority to the Department of Revenue, and shall be by it paid into the General Fund of the State Treasury and credited to the General Fund appropriation of the Department of Revenue.

(8 amended Jan. 14, 1952, 1951 P.L.1928, No.533)

Section 9. Grant of Lands by Department to Authority.--The department shall have power and authority, with the approval of the Governor, to grant, assign and convey to the Authority, with or without consideration, any lands, easements or rights in lands, together with any improvements, buildings or structures therein or thereon, now owned by the Commonwealth of Pennsylvania or hereafter acquired by it, needed or convenient for the corporate purposes of the Authority, or to lease to the Authority for a term, not exceeding ninety-nine (99) years, at a nominal or such other rental as may be determined, any or all such lands, easements or rights in lands, together with any improvements, buildings or structures therein or thereon.

Section 9.1. Contracts to Lease and Leases by Department from Authority.--The department shall have power and authority, with the approval of the Governor, to enter into contracts with the Authority, to lease as lessee from the Authority any or all of the projects undertaken by the Authority for a term, with

respect to each project, not exceeding thirty (30) years, at such rental or rentals as may be determined by the Authority, and upon the completion of the said projects, or when said projects are used or occupied by the Commonwealth, or at the time if earlier, when the Authority has determined that no further proceeds of any of its bonds are to be expended on such project or projects, the department shall have power and authority, with the approval of the Governor, to lease as lessee any or all of the projects for a term, with respect to each project leased, not exceeding thirty (30) years, from date of completion or occupancy, at such rental or rentals as may be determined by the Authority to be paid by the department in such installments and at such times as may be provided in the lease of the project. The use and occupancy by the Commonwealth of any project prior to its completion shall not be construed as a release to the Authority or its designated contractor from its duty to complete said project.

The department shall also have power and authority, with the approval of the Governor, to lease as lessee any equipment and furnishings from the Authority required for the use and occupancy of any project previously leased by the department, where such prior lease did not include such equipment and furnishings. Any lease hereafter executed may provide and existing leases may be amended to provide for the conveyance to the Commonwealth upon final payment of all rentals due under such lease by the department, of all of the Authority's right, title and interest in and to the leased project.

(9.1 amended Nov. 25, 1970, P.L.705, No.229)

Section 9.2. Contracts to Lease and Leases by Department of Public Instruction or School Districts from Authority.--The Department of Public Instruction or any school district shall have power and authority, with approval of the Governor, to enter into contracts with the Authority to lease as lessee from the Authority any school building or addition or improvements to universities or medical colleges or manual training schools, agricultural and industrial schools receiving State aid and the furnishings and equipment thereof, constructed or improved by the Authority, for a term, with respect to each, not exceeding thirty (30) years, at such rental or rentals as may be determined by the Authority, and upon the completion of said school building or additions or improvements and the furnishing and equipment thereof, or when said projects are used or occupied the Department of Public Instruction or school district shall have power and authority, with the approval of the Governor, to lease as lessee said school building or additions or improvements and the furnishings and equipment thereof, for a term, with respect to each, not exceeding thirty (30) years, at such rental or rentals as may be determined by the Authority.

When any such project is leased by the Authority to the Commonwealth of Pennsylvania, the Department of Public Instruction shall have power and authority, with the approval of the Governor, to sublease such project to the university or medical college or manual training school, agricultural and industrial school receiving State-aid or school district for which said project has been undertaken, upon such terms and conditions as shall be agreed to: Provided, however, That when ever any project for which funds shall be allocated for any State-aided university, medical college or manual training school, agricultural or industrial school is leased by the Authority to the Commonwealth of Pennsylvania, the Department of Public Instruction shall sublease such project to the university or medical college or manual training school,

agricultural or industrial school receiving State-aid for which said project has been undertaken for the same aggregate rentals as the Authority's lease of said project to the department, upon terms and conditions as shall be agreed to. An agreement to sublease shall be executed by the Department of Public Instruction prior to the commencement of design and/or construction by the Authority. The provisions of this section shall not apply to any project on which any substantial engineering or design planning has been completed prior to August 14, 1963, or upon which actual construction of previously approved projects has been started on or before August 14, 1965 as provided in the acts of August 14, 1963 (P.L.1032) and January 21, 1966 (P.L.1446).

(9.2 amended July 20, 1968, P.L.652, No.220)

Section 10. Acquisition of Lands.--The department shall have power and authority, with the approval of the Governor, to acquire title in the name of the Commonwealth of Pennsylvania to any additional lands or interest in lands which may be required for the corporate purposes of the Authority, and payment therefor shall be made by the department. The power hereby conferred upon the department shall not limit or restrict the power of the Authority itself to acquire lands or interests in lands in the name of the Authority.

Section 11. Competition in Award of Contracts.--(11 repealed May 15, 1998, P.L.358, No.57)

Section 12. Acquisition of Lands.--The Authority shall have the power to acquire, by purchase or eminent domain proceedings, either the fee or such right, title, interest, or easement in such lands, as the Authority may deem necessary for any of the purposes mentioned in this act: Provided, however, That no lands, interest in lands or property used as a burial ground shall be appropriated by virtue of power of eminent domain hereby conferred.

Whenever the Authority desires to acquire land to carry on its purposes, and a price for such lands or the interest therein desired cannot be agreed upon with the owner or owners thereof, or where such owner or owners cannot be found, in all such cases, the Authority is authorized to acquire the land or the interest therein desired by eminent domain proceedings in accordance with the act of June 22, 1964 (P.L.84), known as the "Eminent Domain Code,"

(12 amended July 20, 1968, P.L.652, No.220)

Section 13. Use of Projects.--The use of the facilities of the Authority and the operation of its business shall be subject to the rules and regulations from time to time adopted by the Authority: Provided, however, That the Authority shall not be authorized to do anything which will impair the security of the holders of the obligations of the Authority or violate any agreements with them or for their benefit.

Section 14. Limitation of Powers.--The Commonwealth does hereby pledge to and agree with any person, firm, or corporation, or Federal agency subscribing to or acquiring the bonds to be issued by the Authority for the construction, extension, improvement, equipping, furnishing or enlargement of any project or part thereof, that the Commonwealth will not limit or alter the rights hereby vested in the Authority until all bonds at any time issued, together with the interest thereon, are fully met and discharged. The Commonwealth does further pledge to and agree with the United States and any other Federal agency that in the event that any Federal agency shall construct or contribute any funds for the construction, extension, improvement, equipping, furnishing or enlargement

of any project, or any portion thereof, the Commonwealth will not alter or limit the rights and powers of the Authority in any manner which would be inconsistent with the continued maintenance and operation of the project or the improvement thereof, or which would be inconsistent with the due performance of any agreements between the Authority and any such Federal agency, and the Authority shall continue to have and may exercise all powers herein granted, so long as the same shall be necessary or desirable for the carrying out of the purposes of this act.

Section 15. Exemption from Taxation.--The effectuation of the authorized purposes of the Authority, created under this act, shall and will be in all respects for the benefit of the people of the Commonwealth for the increase of their commerce and prosperity and for the improvement of their health and living conditions, and since the Authority will be performing essential governmental functions in effectuating such purposes, the Authority shall not be required to pay any taxes or assessments upon any property acquired or used by it for such purposes, and the bonds issued by the Authority, their transfer, and the income therefrom (including any profits made on the sale thereof), shall at all times be free from taxation, other than inheritance and estate taxation, within the Commonwealth of Pennsylvania.

Section 16. Constitutional Construction.--The provisions of this act shall be severable, and if any of the provisions thereof shall be held unconstitutional, such decisions shall not affect the validity of any of the remaining provisions of this act. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included therein.

Section 17. The provisions of this act shall become effective immediately upon enactment.