

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2297 Session of  
1984

INTRODUCED BY MANDERINO, RYAN, LINTON, R. C. WRIGHT, IRVIS, FATTAH, MILLER, PIEVSKY, MICHLOVIC, COWELL, E. Z. TAYLOR, PETRARCA, HOFFFEL, LLOYD, AFFLERBACH, FREEMAN, ITKIN, DOMBROWSKI, D. R. WRIGHT, RUDY, SALOOM, WARGO, HALUSKA, GALLAGHER, KASUNIC, WASS, DALEY, CESSAR, WAMBACH, PISTELLA, KUKOVICH, PRATT, McHALE, RYBAK, CALTAGIRONE, BELFANTI, STUBAN, GEORGE, WACHOB, FEE, DeLUCA, COLE, BATTISTO, SERAFINI, GREENWOOD, COSLETT, DEAL, SHOWERS, PRESTON, MURPHY, RAPPAPORT, OLIVER, SEVENTY, CLARK, DUFFY, MRKONIC, SWEET, GAMBLE, RICHARDSON, MAYERNIK, STEWART, WOZNIAK, CORDISCO AND COHEN, JUNE 13, 1984

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 13, 1984

AN ACT

1 Amending the act of July 22, 1974 (P.L.598, No.206), entitled  
2 "An act creating the Pennsylvania Minority Business  
3 Development Authority as a governmental instrumentality and  
4 as a body corporate and politic; prescribing the rights,  
5 powers and duties of such authority; authorizing such  
6 authority to acquire by gift or purchase; to make loans,  
7 guarantees or other financial accommodations to minority  
8 business enterprises, to borrow money and issue bonds  
9 therefor, providing for the payment of such bonds and giving  
10 security therefor, prescribing the rights of the holders of  
11 such bonds; providing that no debt of the Commonwealth shall  
12 be incurred in the exercise of any powers granted by this  
13 act; exempting the property and securities of such authority  
14 from taxation; authorizing the authority to enter into  
15 contracts with and to accept grants from the Federal  
16 Government or any agency thereof; providing for the  
17 examination of the accounts and affairs of the authority; and  
18 making an appropriation," further providing for assistance to  
19 minority business enterprises; and making appropriations.

20 The General Assembly of the Commonwealth of Pennsylvania

21 hereby enacts as follows:

22 Section 1. The definition of "minority business enterprise"

1 in section 3 of the act of July 22, 1974 (P.L.598, No.206),  
2 known as the Pennsylvania Minority Business Development  
3 Authority Act, is amended and a definition is added to read:

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

5 \* \* \*

6 "Minority business enterprise" means a business enterprise,  
7 other than a bar, tavern, restaurant or any other enterprise  
8 which has as its primary function the dispensing of food or  
9 beverages on a retail basis, that is owned or controlled by one  
10 or more socially or economically disadvantaged persons who are  
11 residents of the Commonwealth of Pennsylvania. Such disadvantage  
12 may arise from cultural, racial, chronic economic circumstances  
13 or background or other similar cause. Such persons include, but  
14 are not limited to, Negroes, Puerto Ricans, Spanish-speaking  
15 Americans, American Indians, Eskimos and Aleuts.

16 "Minority contractor" means a minority business enterprise  
17 who is eligible to file a prequalifying form with the  
18 Commonwealth.

19 \* \* \*

20 Section 2. Section 7 of the act is amended by adding clauses  
21 to read:

22 Section 7. Activities and Powers of the Authority,  
23 Specific.--The authority shall have the power:

24 \* \* \*

25 (3) To guarantee up to ninety per cent of bid and  
26 performance bonds needed by a minority business enterprise to  
27 obtain a contract with a Commonwealth agency pursuant to  
28 specifications of the agency or the Department of General  
29 Services.

30 (4) To provide short-term loans to minority contractors for

1 up to fifty per cent of the value of the contract not to exceed  
2 fifty thousand dollars (\$50,000) for short-term working capital.  
3 Minority contractors who wish to participate may file an  
4 application to the board for this assistance at the time of  
5 filing the prequalifying form with the Commonwealth. The board  
6 shall provide this financing in a timely manner after the  
7 minority contractor has entered into a valid agreement with the  
8 Commonwealth.

9 (5) To contract with private firms for technical and  
10 managerial assistance to applicants for and recipients of  
11 financial assistance provided under this act.

12 Section 3. Section 8 of the act is amended by adding a  
13 subsection to read:

14 Section 8. Loans and Financial Participation by the  
15 Authority.--\* \* \*

16 (e) Each recipient of a loan, loan guarantee or equity  
17 guarantee shall be provided with technical assistance services  
18 that will contribute to the success of the enterprise and its  
19 ability to repay loans and provide return on equity. These  
20 services may include such areas as market surveys, accounting,  
21 financial reporting, legal assistance, billing and marketing.

22 Section 4. (a) The sum of \$500,000 is hereby appropriated  
23 for the fiscal year beginning July 1, 1984 and ending June 30,  
24 1985 from the Pennsylvania Economic Revitalization Fund to the  
25 Department of Commerce for the Minority Business Development  
26 Authority to use for bid and performance bond guarantees  
27 pursuant to section 7(3) of the act.

28 (b) The sum of \$500,000 is hereby appropriated for the  
29 fiscal year beginning July 1, 1984 and ending June 30, 1985 from  
30 the Pennsylvania Economic Revitalization Fund to the Department

1 of Commerce for the Minority Business Development Authority to  
2 use for assistance to minority contractors as specified in  
3 section 7(4) of the act.

4 (c) The sum of \$700,000 is hereby appropriated for the  
5 fiscal year beginning July 1, 1984 and ending June 30, 1985 from  
6 the Pennsylvania Economic Revitalization Fund to the Department  
7 of Commerce for the Minority Business Development Authority to  
8 use for assistance to minority business enterprises consistent  
9 with the act.

10 Section 5. This act shall take effect immediately.