
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1386 Session of
1973

INTRODUCED BY ZEARFOSS, IRVIS, FINEMAN, VANN, LEE, WORRILOW,
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WHITTLESEY, PIPER AND GEKAS, OCTOBER 1, 1973

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, OCTOBER 1, 1973

AN ACT

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

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

19 Section 1. Short Title.--This act shall be known and may be
20 cited as the "Pennsylvania Minority Business Development
21 Authority Act."

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

1 (1) That the promotion of economic development is a
2 legitimate and necessary governmental function.

3 (2) That there currently exists in the Commonwealth a
4 situation wherein there is a disproportionate share of business
5 ownership by socially and economically disadvantaged persons,
6 and those businesses which are minority-owned are predominately
7 small retail service establishments.

8 (3) That such conditions are chronic and of long-standing
9 and that without remedial measures there is little prospect for
10 improvement in the near future, and the opportunity for full
11 participation in our free enterprise system by socially and
12 economically disadvantaged persons is essential if we are to
13 obtain social and economic justice for such persons and improve
14 the functioning of our economy.

15 (4) That the presence of viable minority enterprises will
16 provide incentives as well as employment or business
17 opportunities for youths which will add justification, strength
18 and perseverance of their faith in our American political and
19 economic institutions and the philosophy of freedom on which
20 those institutions are based.

21 Therefore, it is hereby declared to be the policy of the
22 Commonwealth of Pennsylvania to promote health, safety, morals,
23 business opportunities and general welfare of all the
24 inhabitants thereof by the creation of a body corporate and
25 public to be known as the "Pennsylvania Minority Business
26 Development Authority" which shall exist and operate for the
27 public purposes of (i) alleviating and overcoming the many
28 barriers to business opportunity that have too long handicapped
29 socially and economically disadvantaged persons; and (ii)
30 providing assistance, financial and otherwise, which will

1 contribute to well-balanced National and State economies by
2 facilitating the acquisition or maintenance of ownership of
3 business enterprises by persons whose participation in the free
4 enterprise system is hampered because of social or economic
5 disadvantages. Such purposes are hereby declared to be public
6 purposes for which public money may be spent.

7 (5) That it will benefit the Commonwealth as a whole if
8 minority businessmen can acquire business assets at a lower cost
9 and with greater facility than is now possible.

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

11 "Authority" shall mean the public body corporate and politic
12 created pursuant to this act.

13 "Board" or "board of directors" means the governing body of
14 the authority.

15 "Bonds" means and includes the notes, bonds, refunding notes
16 and bonds and other evidence of indebtedness or obligations
17 which the authority is authorized to issue pursuant to this act.

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

23 "Minority business enterprise" means a business enterprise
24 that is owned or controlled by one or more socially or
25 economically disadvantaged persons who are residents of the
26 Commonwealth of Pennsylvania. Such disadvantage may arise from
27 cultural, racial, chronic economic circumstances or background
28 or other similar cause. Such persons include, but are not
29 limited to, Negroes, Puerto Ricans, Spanish-speaking Americans,
30 American Indians, Eskimos and Aleuts.

1 "Secretary" means the Secretary of Commerce of this
2 Commonwealth.

3 "Socially or economically disadvantaged persons" means
4 persons, regardless of sex or marital status, who are members of
5 groups whose disadvantage may arise from cultural, racial,
6 chronic economic circumstances or background or other similar
7 cause. Such persons include, but are not limited to, Negroes,
8 Puerto Ricans, Spanish-speaking Americans, American Indians,
9 Eskimos and Aleuts.

10 Section 4. Pennsylvania Minority Business Development
11 Authority.--(a) There is hereby created a body corporate and
12 politic, constituting a public corporation and governmental
13 instrumentality by the name of the "Pennsylvania Minority
14 Business Development Authority," hereinafter known as the
15 authority.

16 (b) The board of directors shall be composed of the
17 following: The Secretary of Commerce, who will serve as
18 chairman, the Secretary of Labor and Industry, the Secretary of
19 Community Affairs, the Secretary of Banking, and eight
20 additional persons, at least four of whom shall be socially or
21 economically disadvantaged persons, who shall be appointed by
22 the Governor with the advice and consent of the Senate.

23 (c) The members of the board of directors of the authority
24 initially appointed by the Governor shall continue in office for
25 terms of one to four years, respectively, from the date of their
26 appointment and until their respective successors shall be duly
27 appointed and qualified, the term of each appointed member to be
28 designated by the Governor at the time of his appointment; but
29 their successors shall each be appointed for a term of five
30 years, except that any person appointed to fill a vacancy shall

1 serve only for the unexpired term, and any appointed member of
2 the board of directors of the authority shall be eligible for
3 reappointment.

4 (d) The board of directors, in its sole discretion, may
5 employ an executive director, appoint its own counsel and legal
6 staff, and appoint such engineering, financial and other
7 consultants and technicians as it may require.

8 (e) The board of directors shall have full authority to
9 manage the properties and business of the authority, and to
10 prescribe, amend and repeal by-laws, rules and regulations
11 governing the manner in which the business of the authority may
12 be conducted, and the powers granted to it may be exercised and
13 embodied.

14 The Department of Commerce shall provide staff services to
15 the authority for its administration of the act, including
16 liaison between the authority and the Bureau of Minority
17 Business Development (hereinafter authorized) and related
18 organizations, and between the authority and other agencies of
19 the Commonwealth whose facilities and services may be useful to
20 the authority in its work.

21 The authority is authorized to make reimbursement to the
22 Department of Commerce or to any agency of the Commonwealth for
23 such special expenses as may be incurred in the provision of any
24 services or the use of any facilities required by the authority.

25 (f) Said members of the board of directors of the authority
26 shall be entitled to no compensation for their services as
27 members, but shall be entitled to reimbursement for all
28 necessary expenses incurred in connection with the performance
29 of their duties as members of the board.

30 Section 5. Bureau of Minority Business Development.--There

1 is hereby created a bureau within the Department of Commerce by
2 the name of "Bureau of Minority Business Development." The staff
3 of said bureau, office space, supplies and other requirements
4 will be provided by the Department of Commerce at the discretion
5 of the Secretary of Commerce. Said bureau shall coordinate all
6 intergovernmental activities involving Federal and State
7 agencies or State and local agencies which are intended to
8 assist or otherwise to affect minority businesses, and shall
9 have such other powers and duties as may be directed by the
10 secretary, including, but not limited to the power to make
11 grants to non-profit organizations for the purpose of allowing
12 the recipients to purchase consulting and research services
13 designed to result in reports that will potentially benefit
14 businesses serving customers drawing ownership, management or
15 staff from socially or economically disadvantaged groups.

16 Section 6. Activities and Powers of the Authority;
17 General.--The authority, as a public corporation and
18 governmental instrumentality exercising public powers of the
19 Commonwealth, is hereby granted and shall have and may exercise
20 all powers necessary or appropriate to carry out and effectuate
21 the purposes of this act, including the following powers, in
22 addition to others herein granted:

23 (1) To have existence for a term of fifty years.

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

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

27 (4) To make bylaws for the management and regulation of its
28 affairs.

29 (5) To appoint officers, agents, employes and servants; and
30 to prescribe their duties and to fix their compensation, within

1 the limitations provided by law.

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

5 (7) Without limitation of the foregoing, accept grants from,
6 and to enter into contracts or other transactions with any
7 Federal agency, State agency, charitable or business
8 organization.

9 (8) To borrow money, make and issue negotiable notes, bonds,
10 refunding bonds and other evidences of indebtedness or
11 obligations (hereinafter called "bonds") of the authority, and
12 to secure the payment of such bonds, or any part thereof, by
13 pledge or deed of trust of all, or any, of its revenues,
14 receipts and contract rights, or other assets, real or personal,
15 and to make such agreements with the purchasers or holders of
16 such bonds or with others in connection with any such bonds,
17 whether issued or to be issued as the authority shall deem
18 advisable, and in general to provide for the security for said
19 bonds and the rights of the holders thereof.

20 (9) To invest moneys not required for current expenditures,
21 pending such expenditures, in any securities eligible for the
22 investment of funds in the Commonwealth.

23 (10) To mortgage, pledge, hypothecate or otherwise encumber,
24 all or any of the revenues, receipts or contract rights, or
25 other assets, real or personal, of the authority as security for
26 all, or any of, the obligations of the authority.

27 (11) To issue subpoenas requiring the attendance of
28 witnesses and the production of books and papers pertinent to
29 any hearing before such authority, or before one or more members
30 of the authority appointed by it to conduct such hearing.

1 (12) To apply to any court, having territorial jurisdiction
2 of the offense, to have punished for contempt any witness who
3 refuses to obey a subpoena, or who refuses to be sworn or
4 affirmed or to testify, or who is guilty of any contempt after
5 summons to appear.

6 (13) To authorize any member or members of such authority to
7 conduct hearings and to administer oaths, take affidavits and
8 issue subpoenas.

9 (14) To do all acts and things necessary or convenient to
10 carry out the powers granted to it by this act or any other
11 acts: Provided, however, That the authority shall have no power,
12 at any time or in any manner, to pledge the credit or taxing
13 power of the Commonwealth, nor shall any of its obligations or
14 debts be deemed to be obligations of the Commonwealth, nor shall
15 the Commonwealth be liable for the payment of principal or
16 interest on such obligations.

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

19 (1) To lend money to and to guarantee, endorse or act as
20 surety on the bonds, notes, contracts or other obligations of,
21 or otherwise assist financially, a minority business enterprise,
22 and to establish and regulate the terms, security and conditions
23 with respect to any such loans or financial assistance and the
24 charges for interest and service connected therewith, all at the
25 sole discretion of the board of directors.

26 (2) To guarantee up to fifty per cent of equity investments
27 in a minority business enterprise made by any person,
28 partnership, corporation or other entity not then an equity
29 holder or involved in the management of the minority business
30 enterprise or employed by said minority business enterprise or

1 in any way related to said enterprise, its current shareholders,
2 officers or other management personnel, any such guarantees to
3 be made on such terms and conditions as may be determined by the
4 board of directors in its sole discretion.

5 Section 8. Loans and Financial Participation by the
6 Authority.--(a) The authority shall not make loans, guarantee
7 loans or investments or provide other financial assistance
8 pursuant to section 7 hereof unless a majority of the board of
9 directors present at a meeting vote in favor of the action. A
10 majority of members of the board of directors of the authority
11 will constitute a quorum.

12 (b) Any loan or other financial assistance made by the
13 authority as authorized in section 7 shall be for such period of
14 time and shall bear interest at such rate as shall be determined
15 by the authority and loans shall be evidenced by bond or note of
16 the borrower and secured as may be required by the board of
17 directors.

18 (c) Prior to the loaning of any funds or granting any
19 financial assistance to a minority business enterprise, the
20 authority shall receive from such prospective borrower an
21 application in form adopted by the authority and abiding by any
22 regulations established by the authority.

23 (d) No loan or other financial assistance shall be made or
24 granted to a minority business enterprise unless the minority
25 business enterprise certifies to the authority, in form
26 satisfactory to the authority, that it shall not discriminate
27 against any employee or against any applicant for employment
28 because of race, religion, color, national origin, sex or age,
29 including, but not limited to the following: employment,
30 upgrading, demotion or transfer; recruitment or recruitment

1 advertising; layoff or termination; rates of pay or other forms
2 of compensation; and selection for training, including
3 apprenticeship. The minority business enterprise shall also
4 certify to the authority that it is not currently under citation
5 for pollution violations, and that in the future it will meet
6 all applicable anti-pollution standards.

7 Section 9. Rules and Regulations.--The authority shall have
8 the right to adopt rules and regulations to carry out the
9 provisions of this act in accordance with the provisions of the
10 act of July 31, 1968 (P.L.769, No.240), known as the
11 "Commonwealth Documents Law."

12 Section 10. Moneys of the Authority.--All moneys of the
13 authority from whatever source derived shall be paid to the
14 treasurer of the authority. Said moneys shall be deposited in
15 the first instance by the treasurer in one or more banks or
16 trust companies, in one or more special accounts, and each of
17 such special accounts shall be continuously secured by a pledge
18 of direct obligations of the United States of America or of the
19 Commonwealth, having an aggregate market value, exclusive of
20 accrued interest, at all times at least equal to the balance on
21 deposit in such account. Such securities shall either be
22 deposited with the treasurer or be held by a trustee or agent
23 satisfactory to the authority. All banks and trust companies are
24 authorized to give such security for such deposits. The moneys
25 in said accounts shall be paid out on the warrant or other order
26 of the treasurer of the authority, or of such other person or
27 persons as the authority may authorize to execute such warrants
28 or orders.

29 Section 11. Minority Business Development Fund.--(a) There
30 is hereby created a special account in the Treasury of the

1 Commonwealth to be known as the "Minority Business Development
2 Fund" to which shall be accredited the appropriation provided by
3 this act and any subsequent appropriations made by the
4 Legislature to the authority as well as such other deposits and
5 contributions as may be received from any other source by the
6 authority, as well as such other deposits as this section
7 provided.

8 (b) As often as may be necessary, the authority shall
9 requisition from the Minority Business Development Fund such
10 amounts as may be necessary to provide adequate funds for the
11 payment of the administration of the purpose of this act.

12 (c) The authority shall also requisition, from time to time,
13 from the Minority Business Development Fund, such amounts as
14 shall be allocated and appropriated by the authority for loans
15 or other financial assistance to minority business enterprises.
16 When and as the amounts so allocated and appropriated by the
17 authority as loans or other financial assistance are repaid to
18 the authority pursuant to the terms of the bonds or notes or
19 other agreements made and entered into by the authority, the
20 authority shall pay such amounts into the Minority Business
21 Development Fund, it being the intent of this act that the
22 Minority Business Development Fund shall operate as a revolving
23 fund whereby all appropriations, deposits, contributions and
24 payments made thereto may be applied and reapplied to the
25 purposes of this act.

26 (d) All appropriations, deposits and contributions made to
27 the Minority Business Development Fund shall be immediately
28 credited in full to said fund, and earnings on the moneys held
29 in said fund shall also be credited to the fund for the purposes
30 of this act.

1 (e) At any time that the authority shall determine that
2 funds held for the credit of the Minority Business Development
3 Fund are in excess of the amount needed by the authority to
4 carry out the purposes of this act, the authority shall take
5 such action as shall be required to release such excess from the
6 Minority Business Development Fund and transfer the same to the
7 General Fund of the State Treasury.

8 Section 12. Conflict of Interest Prohibited.--No member of
9 the authority or officer or employee thereof shall either
10 directly or indirectly be a party to or be in any manner
11 interested in any contract or agreement with the authority for
12 any matter, cause or thing whatsoever by reason whereof any
13 liability or indebtedness shall in any way be created against
14 such authority. If any contract or agreement shall be made in
15 violation of the provisions of this section the same shall be
16 null and void and no action shall be maintained thereon against
17 such authority.

18 Section 13. Examination and Audit of Authority Affairs.--The
19 accounts and books of the authority, including its receipts,
20 disbursements, contracts, investments and other matters relating
21 to its finances, operation and affairs shall be examined and
22 audited from time to time by the Auditor General as provided in
23 The Administrative Code of 1929.

24 Section 14. Bonds.--(a) The bonds of the authority shall be
25 authorized by resolution of the board thereof or by the terms of
26 a trust indenture authorized by such board, and shall be of such
27 series, shall bear such date or dates, shall mature at such time
28 or times, not exceeding the life of the authority, shall bear
29 interest at such rate or rates, shall be in such denominations,
30 shall be in such form, either coupon or fully registered without

1 coupons, shall carry such registration, exchangeability and
2 interchangeability privileges, shall be payable in such medium
3 of payment and at such place or places, shall be subject to such
4 terms of redemption, not exceeding one hundred five per cent of
5 the principal amount thereof and shall be entitled to such
6 priorities in the revenues or receipts of the authority as such
7 trust, indenture, resolution or resolutions may provide. The
8 bonds shall be signed by such officers, either manually or by
9 facsimile as the authority shall determine, and coupon bonds
10 shall have attached thereto interest coupons bearing the
11 facsimile signature of the treasurer of the authority, all as
12 may be prescribed in such resolution or resolutions. Any such
13 bonds may be issued and delivered, notwithstanding that one or
14 more of the officers signing such bonds or the treasurer whose
15 facsimile signature shall be upon the coupons or any thereof,
16 shall have ceased to be such officer or officers at the time
17 when such bonds actually shall be delivered. Said bonds may be
18 sold at public or private sale for such price or prices as the
19 authority shall determine. The net interest cost of maturity of
20 the money received for any issue of bonds, whether sold at
21 public or private sale, shall not exceed eight per cent per
22 annum.

23 For the purposes of this section, net interest cost shall be
24 determined by ascertaining the total amount of interest payable
25 with respect to the bonds, computed from the date of the bonds
26 to the stated maturity dates thereof, plus the amount of any
27 discount from the principal amount of the bonds or less the
28 amount of any premium in excess of the principal amount of the
29 bonds. Pending the preparation of the definitive bonds, interim
30 receipts may be issued to the purchaser or purchasers of such

1 bonds, and may contain such terms and conditions as the
2 authority may determine.

3 (b) Such bonds are hereby made securities in which all
4 officers of the State and its political subdivisions and
5 municipal officers and administrative departments, boards and
6 commissions of the Commonwealth, all banks, bankers, savings
7 banks, trust companies, saving and loan associations, investment
8 companies and other persons carrying on a banking business, all
9 insurance companies, insurance associations, and other persons
10 carrying on an insurance business, and all administrators,
11 executors, guardians, trustees, and other fiduciaries, and all
12 other persons whatsoever who now or hereafter may be authorized
13 to invest in bonds or other obligations of the Commonwealth,
14 properly and legally may invest any funds, including capital,
15 belonging to them or within their control, and said bonds or
16 other securities or obligations hereby are made securities which
17 properly and legally may be deposited with, and received by, any
18 State or municipal officers or agency of the Commonwealth for
19 any purpose for which the deposit of bonds or other obligations
20 of the Commonwealth now is or hereafter may be authorized by
21 law.

22 (c) Any trust indenture, resolution or resolutions
23 authorizing any bonds may contain provisions which shall be part
24 of the contract with the holders thereof as to (i) pledging all
25 or any of the revenues or receipts and contract rights of the
26 authority; (ii) the terms and provisions of the bonds; (iii)
27 limitations on the purposes to which the proceeds of the bonds,
28 then or thereafter to be issued, under such indenture or
29 resolution, or of any loan or grant by the United States may be
30 applied; (iv) limitations on the issuance of additional bonds;

1 (v) the terms and provisions of any deed of trust or indenture
2 securing the bonds, or under which the same maybe issued; and
3 (vi) any other or additional agreements with the holders of the
4 bonds.

5 (d) The authority may enter into any deeds of trust,
6 indentures or other agreements with any bank or trust company,
7 or other person or persons in the United States having power to
8 enter into the same, including any Federal or other governmental
9 agency, as security for such bonds, and may assign and pledge
10 all or any of the revenues, receipts, and contract rights of the
11 authority thereunder. Such deed of trust, indenture or other
12 agreement may contain such provisions as may be customary in
13 such instruments, or as the authority may authorize.

14 (e) Said bonds shall have all the qualities of negotiable
15 instruments under the law merchant, and the negotiable
16 instruments law of the Commonwealth of Pennsylvania.

17 Section 15. Refunding Bonds.--The authority is hereby
18 authorized to provide, by resolution of the board, for the
19 issuance of refunding bonds for the purpose of refunding any
20 bonds of the authority issued under the provisions of this act
21 and then outstanding, either by voluntary exchange with the
22 holders of such outstanding bonds or to provide funds to redeem
23 and retire such outstanding bonds, with accrued interest, and
24 any premium payable thereon at maturity or at any call date. The
25 issuance of such refunding bonds, the maturities and other
26 details thereof, the rights of the holders thereof, and the
27 duties of the authority in respect to the same, shall be
28 governed by the foregoing provisions of this act in so far as
29 the same may be applicable. Refunding bonds may be issued by the
30 authority to refund bonds originally issued or to refund bonds

1 of the authority previously issued for refunding purposes.

2 Section 16. Remedies of Bondholders.--(a) The rights and the
3 remedies herein conferred upon, or granted to the bondholders,
4 shall be in addition to, and not in limitation of, any rights
5 and remedies lawfully granted to such bondholders by the
6 resolution or resolutions providing for the issuance of bonds,
7 or by any deed of trust, indenture or other agreement under
8 which the same shall be issued. In the event that the authority
9 shall default in the payment of principal of, or interest on,
10 any of the bonds after said principal or interest shall become
11 due, whether at maturity or upon call for redemption, and such
12 default shall continue for a period of thirty days, or in the
13 event that the authority shall fail or refuse to comply with the
14 provisions of this act, or shall default in any agreement made
15 with the holders of the bonds, the holders of twenty-five per
16 cent in aggregate principal amount of the bonds then
17 outstanding, by instrument or instruments filed in the office of
18 the recorder of deeds of the county, and proved or acknowledged
19 in the same manner as a deed to be recorded may (except as such
20 right may be limited under the provisions of any deed of trust,
21 indenture or other agreement as aforesaid), appoint a trustee to
22 represent the bondholders for the purposes herein provided. Such
23 trustee and any trustee under any deed of trust, indenture or
24 other agreement may, and upon written request of the holders of
25 twenty-five per cent (or such other percentage as may be
26 specified in any deed of trust, indenture or other agreement
27 aforesaid) in principal amount of the bonds then outstanding,
28 shall, in his or its own name:

29 (1) By mandamus or other suit, action or proceeding at law
30 or in equity, enforce all rights of the bondholders, including

1 the right to require the authority to collect charges and other
2 pledged assets adequate to carry out any agreements as to, or
3 pledge of the revenues, receipts and contract rights of, the
4 authority, and to require the authority to carry out any other
5 agreements with or for the benefit of the bondholders, and to
6 perform its and their duties under this act.

7 (2) Bring suit upon the bonds.

8 (3) By action or suit in equity, require the authority to
9 account as if it were the trustee of an express trust for the
10 bondholders.

11 (4) By action or suit in equity, enjoin any acts or things
12 which may be unlawful or in violation of the rights of the
13 bondholders.

14 (5) By notice in writing to the authority, declare all bonds
15 due and payable, and if all defaults shall be made good, then
16 with the consent of the holders of twenty-five per cent (or such
17 other percentage as may be specified in any deed of trust,
18 indenture or other agreement aforesaid) of the principal amount
19 of the bonds then outstanding, to annul such declaration and its
20 consequences.

21 (b) Any trustee, whether appointed as aforesaid or acting
22 under a deed of trust, indenture or other agreement, and whether
23 or not all bonds have been declared due and payable, shall be
24 entitled, as of right, to the appointment of a receiver, who (to
25 the same extent that the authority itself could do so) may enter
26 and take possession of the facilities of the authority or any
27 parts thereof, the revenues, receipts or pledges from which are,
28 or may be, applicable to, the payment of the bonds so in
29 default, and operate and maintain the same and collect and
30 receive all revenues thereafter arising therefrom in the same

1 manner as the authority might do, and shall deposit all such
2 moneys in a separate account and apply the same in such manner
3 as the court shall direct. In any suit, action or proceeding by
4 the trustee, the fees, counsel fees and expenses of the trustee,
5 and of the receiver, if any, and all costs and disbursements
6 allowed by the court, shall be a first charge on any revenues
7 and receipts derived from the facilities of the authority, the
8 revenues, receipts or pledges from which are or may be
9 applicable to the payment of the bonds so in default. Said
10 trustee, in addition to the foregoing, shall have and possess
11 all of the powers necessary or appropriate for the exercise of
12 any functions specifically set forth herein or incident to the
13 general representation of the bondholders in the enforcement and
14 protection of their rights.

15 (c) In addition to all other rights and all other remedies,
16 any holder of bonds of the authority shall have the right by
17 mandamus or other suit, action or proceeding at law, or in
18 equity, to enforce his rights against the authority, including
19 the right to require the authority to collect fees and other
20 charges adequate to carry out any agreement as to, or pledge of,
21 such fees or other charges or income, revenues and receipts, and
22 to require the authority to carry out any of its covenants and
23 agreements with the bondholders and to perform its and their
24 duties under this act.

25 Section 17. Issuance of Bonds.--The bonds of the authority
26 may be issued pursuant to one or more resolutions or one or more
27 trust indentures and, as provided in such resolution or trust
28 indenture, the moneys set aside in any fund or funds pledged for
29 any particular bonds or series of bonds shall be held for the
30 sole benefit of such bonds, separate and apart from the moneys

1 pledged for any other bonds of the authority issued under any
2 other resolution or trust indenture.

3 Section 18. Exemption from Taxation.--The effectuation of
4 the authorized purposes of the authority created under this act
5 in all respects shall and will be for the benefit of the people
6 of the Commonwealth, and since the authority will be performing
7 essential public functions in effectuating such purposes, the
8 authority shall be exempt from payment of any taxes or
9 assessments upon any property acquired, held, owned, leased or
10 used by it for such purposes, and the bonds issued by the
11 authority, their transfer and the income therefrom (including
12 any profits made on the sale thereof) at all times shall be free
13 from taxation, other than inheritance and estate taxation,
14 within the Commonwealth of Pennsylvania.

15 Section 19. Appropriation.--The sum of five million dollars
16 (\$5,000,000), is hereby appropriated to the Pennsylvania
17 Minority Business Development Authority for the purposes set
18 forth in this act.

19 Section 20. Effective Date.--This act shall take effect
20 immediately.