

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL****No. 1386** Session of  
1973

---

INTRODUCED BY MESSRS. ZEARFOSS, IRVIS, FINEMAN, VANN, LEE, WORRILOW, WILLIAMS, J. B. KELLY III, HASKELL, RICHARDSON, SHELTON, GELFAND, RHODES, BARBER, JOHNSON, HAMMOCK, BLACKWELL, BERKES, GALLAGHER, BERSON, MRS. TOLL, MESSRS. M. E. MILLER, ZELLER, MRS. FAWCETT, MRS. WHITTLESEY, MESSRS. PIPER AND GEKAS, OCTOBER 1, 1973

---

AS REPORTED FROM COMMITTEE ON BUSINESS AND COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 5, 1974

---

## 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

1 determined and declared as a matter of legislative finding:

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

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

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

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

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

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

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

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

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

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

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

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

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

1 American Indians, Eskimos and Aleuts.

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

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

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

17 (b) The board of directors shall be composed of the  
18 following: The Secretary of Commerce, who will serve as  
19 chairman, the Secretary of Labor and Industry, the Secretary of  
20 Community Affairs, the Secretary of Banking, and ~~eight~~ TWELVE <—  
21 additional persons, at least four of whom shall be socially or  
22 economically disadvantaged persons, TWO OF WHOM SHALL BE <—  
23 REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE (ONE FROM  
24 THE MAJORITY PARTY AND ONE FROM THE MINORITY PARTY), TWO OF WHOM  
25 SHALL BE SENATORS APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE  
26 SENATE (ONE FROM THE MAJORITY PARTY AND ONE FROM THE MINORITY  
27 PARTY) AND who shall be appointed by the Governor with the  
28 advice and consent of the Senate.

29 (c) The members of the board of directors of the authority  
30 initially appointed by the Governor shall continue in office for

1 terms of one to four years, respectively, from the date of their  
2 appointment and until their respective successors shall be duly  
3 appointed and qualified, the term of each appointed member to be  
4 designated by the Governor at the time of his appointment; but  
5 their successors shall each be appointed for a term of five  
6 years, except that any person appointed to fill a vacancy shall  
7 serve only for the unexpired term, and any appointed member of  
8 the board of directors of the authority shall be eligible for  
9 reappointment.

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

14 (e) The board of directors shall have full authority to  
15 manage the properties and business of the authority, and to  
16 prescribe, amend and repeal by-laws, rules and regulations  
17 governing the manner in which the business of the authority may  
18 be conducted, and the powers granted to it may be exercised and  
19 embodied.

20 The Department of Commerce shall provide staff services to  
21 the authority for its administration of the act, including  
22 liaison between the authority and the Bureau of Minority  
23 Business Development (hereinafter authorized) and related  
24 organizations, and between the authority and other agencies of  
25 the Commonwealth whose facilities and services may be useful to  
26 the authority in its work.

27 The authority is authorized to make reimbursement to the  
28 Department of Commerce or to any agency of the Commonwealth for  
29 such special expenses as may be incurred in the provision of any  
30 services or the use of any facilities required by the authority.

1 (f) Said members of the board of directors of the authority  
2 shall be entitled to no compensation for their services as  
3 members, but shall be entitled to reimbursement for all  
4 necessary expenses incurred in connection with the performance  
5 of their duties as members of the board.

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

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

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

30 (2) To sue and be sued, implead and be impleaded, complain

1 and defend in all courts.

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

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

5 (5) To appoint officers, agents, employes and servants; and  
6 to prescribe their duties and to fix their compensation, within  
7 the limitations provided by law.

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

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

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

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

29 (10) To mortgage, pledge, hypothecate or otherwise encumber,  
30 all or any of the revenues, receipts or contract rights, or

1 other assets, real or personal, of the authority as security for  
2 all, or any of, the obligations of the authority.

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

7 (12) To apply to any court, having territorial jurisdiction  
8 of the offense, to have punished for contempt any witness who  
9 refuses to obey a subpoena, or who refuses to be sworn or  
10 affirmed or to testify, or who is guilty of any contempt after  
11 summons to appear.

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

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

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

25 (1) To lend money to and to guarantee, endorse or act as  
26 surety on the bonds, notes, contracts or other obligations of,  
27 or otherwise assist financially, a minority business enterprise,  
28 and to establish and regulate the terms, security and conditions  
29 with respect to any such loans or financial assistance and the  
30 charges for interest and service connected therewith, all at the



1 sole discretion of the board of directors.

2 (2) To guarantee up to fifty per cent of equity investments  
3 in a minority business enterprise made by any person,  
4 partnership, corporation or other entity not then an equity  
5 holder or involved in the management of the minority business  
6 enterprise or employed by said minority business enterprise or  
7 in any way related to said enterprise, its current shareholders,  
8 officers or other management personnel, any such guarantees to  
9 be made on such terms and conditions as may be determined by the  
10 board of directors in its sole discretion.

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

18 (b) Any loan or other financial assistance made by the  
19 authority as authorized in section 7 shall be for such period of  
20 time and shall bear interest at such rate as shall be determined  
21 by the authority and loans shall be evidenced by bond or note of  
22 the borrower and secured as may be required by the board of  
23 directors.

24 (c) Prior to the loaning of any funds or granting any  
25 financial assistance to a minority business enterprise, the  
26 authority shall receive from such prospective borrower an  
27 application in form adopted by the authority and abiding by any  
28 regulations established by the authority.

29 (d) No loan or other financial assistance shall be made or  
30 granted to a minority business enterprise unless the minority

1 business enterprise certifies to the authority, in form  
2 satisfactory to the authority, that it shall not discriminate  
3 against any employee or against any applicant for employment  
4 because of race, religion, color, national origin, sex or age,  
5 including, but not limited to the following: employment,  
6 upgrading, demotion or transfer; recruitment or recruitment  
7 advertising; layoff or termination; rates of pay or other forms  
8 of compensation; and selection for training, including  
9 apprenticeship. The minority business enterprise shall also  
10 certify to the authority that it is not currently under citation  
11 for pollution violations, and that in the future it will meet  
12 all applicable anti-pollution standards.

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

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

1 in said accounts shall be paid out on the warrant or other order  
2 of the treasurer of the authority, or of such other person or  
3 persons as the authority may authorize to execute such warrants  
4 or orders.

5 Section 11. Minority Business Development Fund.--(a) There  
6 is hereby created a special account in the Treasury of the  
7 Commonwealth to be known as the "Minority Business Development  
8 Fund" to which shall be accredited the appropriation provided by  
9 this act and any subsequent appropriations made by the  
10 Legislature to the authority as well as such other deposits and  
11 contributions as may be received from any other source by the  
12 authority, as well as such other deposits as this section  
13 provided.

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

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

1 purposes of this act.

2 (d) All appropriations, deposits and contributions made to  
3 the Minority Business Development Fund shall be immediately  
4 credited in full to said fund, and earnings on the moneys held  
5 in said fund shall also be credited to the fund for the purposes  
6 of this act.

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

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

24 Section 13. Examination and Audit of Authority Affairs.--The  
25 accounts and books of the authority, including its receipts,  
26 disbursements, contracts, investments and other matters relating  
27 to its finances, operation and affairs shall be examined and  
28 audited from time to time by the Auditor General as provided in  
29 The Administrative Code of 1929.

30 Section 14. Bonds.--(a) The bonds of the authority shall be

1 authorized by resolution of the board thereof or by the terms of  
2 a trust indenture authorized by such board, and shall be of such  
3 series, shall bear such date or dates, shall mature at such time  
4 or times, not exceeding the life of the authority, shall bear  
5 interest at such rate or rates, shall be in such denominations,  
6 shall be in such form, either coupon or fully registered without  
7 coupons, shall carry such registration, exchangeability and  
8 interchangeability privileges, shall be payable in such medium  
9 of payment and at such place or places, shall be subject to such  
10 terms of redemption, not exceeding one hundred five per cent of  
11 the principal amount thereof and shall be entitled to such  
12 priorities in the revenues or receipts of the authority as such  
13 trust, indenture, resolution or resolutions may provide. The  
14 bonds shall be signed by such officers, either manually or by  
15 facsimile as the authority shall determine, and coupon bonds  
16 shall have attached thereto interest coupons bearing the  
17 facsimile signature of the treasurer of the authority, all as  
18 may be prescribed in such resolution or resolutions. Any such  
19 bonds may be issued and delivered, notwithstanding that one or  
20 more of the officers signing such bonds or the treasurer whose  
21 facsimile signature shall be upon the coupons or any thereof,  
22 shall have ceased to be such officer or officers at the time  
23 when such bonds actually shall be delivered. Said bonds may be  
24 sold at public or private sale for such price or prices as the  
25 authority shall determine. The net interest cost of maturity of  
26 the money received for any issue of bonds, whether sold at  
27 public or private sale, shall not exceed eight per cent per  
28 annum.

29 For the purposes of this section, net interest cost shall be  
30 determined by ascertaining the total amount of interest payable

1 with respect to the bonds, computed from the date of the bonds  
2 to the stated maturity dates thereof, plus the amount of any  
3 discount from the principal amount of the bonds or less the  
4 amount of any premium in excess of the principal amount of the  
5 bonds. Pending the preparation of the definitive bonds, interim  
6 receipts may be issued to the purchaser or purchasers of such  
7 bonds, and may contain such terms and conditions as the  
8 authority may determine.

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

28 (c) Any trust indenture, resolution or resolutions  
29 authorizing any bonds may contain provisions which shall be part  
30 of the contract with the holders thereof as to (i) pledging all

1 or any of the revenues or receipts and contract rights of the  
2 authority; (ii) the terms and provisions of the bonds; (iii)  
3 limitations on the purposes to which the proceeds of the bonds,  
4 then or thereafter to be issued, under such indenture or  
5 resolution, or of any loan or grant by the United States may be  
6 applied; (iv) limitations on the issuance of additional bonds;  
7 (v) the terms and provisions of any deed of trust or indenture  
8 securing the bonds, or under which the same maybe issued; and  
9 (vi) any other or additional agreements with the holders of the  
10 bonds.

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

20 (e) Said bonds shall have all the qualities of negotiable  
21 instruments under the law merchant, and the negotiable  
22 instruments law of the Commonwealth of Pennsylvania.

23 Section 15. Refunding Bonds.--The authority is hereby  
24 authorized to provide, by resolution of the board, for the  
25 issuance of refunding bonds for the purpose of refunding any  
26 bonds of the authority issued under the provisions of this act  
27 and then outstanding, either by voluntary exchange with the  
28 holders of such outstanding bonds or to provide funds to redeem  
29 and retire such outstanding bonds, with accrued interest, and  
30 any premium payable thereon at maturity or at any call date. The

1 issuance of such refunding bonds, the maturities and other  
2 details thereof, the rights of the holders thereof, and the  
3 duties of the authority in respect to the same, shall be  
4 governed by the foregoing provisions of this act in so far as  
5 the same may be applicable. Refunding bonds may be issued by the  
6 authority to refund bonds originally issued or to refund bonds  
7 of the authority previously issued for refunding purposes.

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



1 twenty-five per cent (or such other percentage as may be  
2 specified in any deed of trust, indenture or other agreement  
3 aforesaid) in principal amount of the bonds then outstanding,  
4 shall, in his or its own name:

5 (1) By mandamus or other suit, action or proceeding at law  
6 or in equity, enforce all rights of the bondholders, including  
7 the right to require the authority to collect charges and other  
8 pledged assets adequate to carry out any agreements as to, or  
9 pledge of the revenues, receipts and contract rights of, the  
10 authority, and to require the authority to carry out any other  
11 agreements with or for the benefit of the bondholders, and to  
12 perform its and their duties under this act.

13 (2) Bring suit upon the bonds.

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

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

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

27 (b) Any trustee, whether appointed as aforesaid or acting  
28 under a deed of trust, indenture or other agreement, and whether  
29 or not all bonds have been declared due and payable, shall be  
30 entitled, as of right, to the appointment of a receiver, who (to

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

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

1 Section 17. Issuance of Bonds.--The bonds of the authority  
2 may be issued pursuant to one or more resolutions or one or more  
3 trust indentures and, as provided in such resolution or trust  
4 indenture, the moneys set aside in any fund or funds pledged for  
5 any particular bonds or series of bonds shall be held for the  
6 sole benefit of such bonds, separate and apart from the moneys  
7 pledged for any other bonds of the authority issued under any  
8 other resolution or trust indenture.

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

21 Section 19. Appropriation.--The sum of five million dollars  
22 (\$5,000,000), is hereby appropriated to the Pennsylvania  
23 Minority Business Development Authority for the purposes set  
24 forth in this act.

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