

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 AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 26, 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, OR DESIGNEE and <—
21 twelve additional persons, at least four of whom shall be <—
22 REPRESENT socially or economically disadvantaged persons, two of <—
23 whom shall be Representatives appointed by the Speaker of the
24 House (one from the Majority Party and one from the Minority
25 Party), two of whom shall be Senators appointed by the President
26 pro tempore of the Senate (one from the Majority Party and one
27 from the Minority Party) and who shall be appointed by the
28 Governor with the advice and consent of the Senate. A QUORUM OF <—
29 THIS BOARD SHALL BE SEVEN.

30 (c) The members of the board of directors of the authority

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

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

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

21 The Department of Commerce shall provide staff services
22 INCLUDING AN EXECUTIVE DIRECTOR AS AGREED UPON BY THE BOARD to ←
23 the authority for its administration of the act, including
24 liaison between the authority and the Bureau of Minority
25 Business Development (hereinafter authorized) and related
26 organizations, and between the authority and other agencies of
27 the Commonwealth whose facilities and services may be useful to
28 the authority in its work.

29 The authority is authorized to make reimbursement to the
30 Department of Commerce or to any agency of the Commonwealth for

1 such special expenses as may be incurred in the provision of any
2 services or the use of any facilities required by the authority.

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

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

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

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

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

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

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

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

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

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

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

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

1 (10) To mortgage, pledge, hypothecate or otherwise encumber,
2 all or any of the revenues, receipts or contract rights, or
3 other assets, real or personal, of the authority as security for
4 all, or any of, the obligations of the authority.

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

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

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

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

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

27 (1) To lend money to and to guarantee, endorse or act as
28 surety on the bonds, notes, contracts or other obligations of,
29 or otherwise assist financially, a minority business enterprise,
30 and to establish and regulate the terms, security and conditions

1 with respect to any such loans or financial assistance and the
2 charges for interest and service connected therewith, all at the
3 sole discretion of the board of directors.

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

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

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

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

1 (d) No loan or other financial assistance shall be made or
2 granted to a minority business enterprise unless the minority
3 business enterprise certifies to the authority, in form
4 satisfactory to the authority, that it shall not discriminate
5 against any employee or against any applicant for employment
6 because of race, religion, color, national origin, sex or age,
7 including, but not limited to the following: employment,
8 upgrading, demotion or transfer; recruitment or recruitment
9 advertising; layoff or termination; rates of pay or other forms
10 of compensation; and selection for training, including
11 apprenticeship. The minority business enterprise shall also
12 certify to the authority that it is not currently under citation
13 for pollution violations, and that in the future it will meet
14 all applicable anti-pollution standards.

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

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

1 satisfactory to the authority. All banks and trust companies are
2 authorized to give such security for such deposits. The moneys
3 in said accounts shall be paid out on the warrant or other order
4 of the treasurer of the authority, or of such other person or
5 persons as the authority may authorize to execute such warrants
6 or orders.

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

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

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

1 fund whereby all appropriations, deposits, contributions and
2 payments made thereto may be applied and reapplied to the
3 purposes of this act.

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

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

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

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

1 The Administrative Code of 1929.

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

1 For the purposes of this section, net interest cost shall be
2 determined by ascertaining the total amount of interest payable
3 with respect to the bonds, computed from the date of the bonds
4 to the stated maturity dates thereof, plus the amount of any
5 discount from the principal amount of the bonds or less the
6 amount of any premium in excess of the principal amount of the
7 bonds. Pending the preparation of the definitive bonds, interim
8 receipts may be issued to the purchaser or purchasers of such
9 bonds, and may contain such terms and conditions as the
10 authority may determine.

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

30 (c) Any trust indenture, resolution or resolutions

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

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

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

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

1 and retire such outstanding bonds, with accrued interest, and
2 any premium payable thereon at maturity or at any call date. The
3 issuance of such refunding bonds, the maturities and other
4 details thereof, the rights of the holders thereof, and the
5 duties of the authority in respect to the same, shall be
6 governed by the foregoing provisions of this act in so far as
7 the same may be applicable. Refunding bonds may be issued by the
8 authority to refund bonds originally issued or to refund bonds
9 of the authority previously issued for refunding purposes.

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

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

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

15 (2) Bring suit upon the bonds.

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

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

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

29 (b) Any trustee, whether appointed as aforesaid or acting
30 under a deed of trust, indenture or other agreement, and whether

1 or not all bonds have been declared due and payable, shall be
2 entitled, as of right, to the appointment of a receiver, who (to
3 the same extent that the authority itself could do so) may enter
4 and take possession of the facilities of the authority or any
5 parts thereof, the revenues, receipts or pledges from which are,
6 or may be, applicable to, the payment of the bonds so in
7 default, and operate and maintain the same and collect and
8 receive all revenues thereafter arising therefrom in the same
9 manner as the authority might do, and shall deposit all such
10 moneys in a separate account and apply the same in such manner
11 as the court shall direct. In any suit, action or proceeding by
12 the trustee, the fees, counsel fees and expenses of the trustee,
13 and of the receiver, if any, and all costs and disbursements
14 allowed by the court, shall be a first charge on any revenues
15 and receipts derived from the facilities of the authority, the
16 revenues, receipts or pledges from which are or may be
17 applicable to the payment of the bonds so in default. Said
18 trustee, in addition to the foregoing, shall have and possess
19 all of the powers necessary or appropriate for the exercise of
20 any functions specifically set forth herein or incident to the
21 general representation of the bondholders in the enforcement and
22 protection of their rights.

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

1 agreements with the bondholders and to perform its and their
2 duties under this act.

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

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

23 Section 19. Appropriation.--The sum of ~~five million dollars~~ <—
24 ~~(\$5,000,000)~~, TWO MILLION DOLLARS (\$2,000,000), is hereby <—
25 appropriated to the Pennsylvania Minority Business Development
26 Authority for the purposes set forth in this act.

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