
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, MRS. FAWCETT, MRS. WHITTLESEY,
MESSRS. PIPER AND GEKAS, OCTOBER 1, 1973

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, JULY 10, 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 represent
22 socially or economically disadvantaged persons, two of whom
23 shall be Representatives appointed by the Speaker of the House
24 (one from the Majority Party and one from the Minority Party),
25 two of whom shall be Senators appointed by the President pro
26 tempore of the Senate (one from the Majority Party and one from
27 the Minority Party) and who shall be appointed by the Governor
28 with the advice and consent of the Senate. A quorum of this
29 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 appoint its own counsel and legal staff, and appoint such
13 engineering, financial and other consultants and technicians as
14 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 CONDUCT EXAMINATIONS AND INVESTIGATIONS AND TO HEAR <—
6 TESTIMONY AND TAKE PROOF, UNDER OATH OR AFFIRMATION, AT PUBLIC
7 OR PRIVATE HEARINGS, ON ANY MATTER MATERIAL FOR ITS INFORMATION
8 AND NECESSARY TO (I) THE DETERMINATION OF THE APPLICANT'S
9 ELIGIBILITY TO RECEIVE A LOAN GRANTED UNDER THIS ACT; (II) THE
10 DETERMINATION OF THE ECONOMIC VIABILITY OF THE LOAN; AND (III)
11 THE POWER TO REVIEW THE OPERATION OF ANY BUSINESS THAT HAS
12 RECEIVED A LOAN GRANTED UNDER THE AUTHORITY OF THIS ACT.

13 ~~(11)~~ (12) To issue subpoenas requiring the attendance of <—
14 witnesses and the production of books and papers pertinent to
15 any hearing before such authority, or before one or more members
16 of the authority appointed by it to conduct such hearing.

17 ~~(12)~~ (13) To apply to any court, having territorial <—
18 jurisdiction of the offense, to have punished for contempt any
19 witness who refuses to obey a subpoena, or who refuses to be
20 sworn or affirmed or to testify, or who is guilty of any
21 contempt after summons to appear.

22 ~~(13)~~ (14) To authorize any member or members of such <—
23 authority to conduct hearings and to administer oaths, take
24 affidavits and issue subpoenas.

25 ~~(14)~~ (15) To do all acts and things necessary or convenient <—
26 to carry out the powers granted to it by this act or any other
27 acts: Provided, however, That the authority shall have no power,
28 at any time or in any manner, to pledge the credit or taxing
29 power of the Commonwealth, nor shall any of its obligations or
30 debts be deemed to be obligations of the Commonwealth, nor shall

1 the Commonwealth be liable for the payment of principal or
2 interest on such obligations.

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

5 (1) To lend money to and to guarantee, endorse or act as
6 surety on the bonds, notes, contracts or other obligations of,
7 or otherwise assist financially, a minority business enterprise,
8 and to establish and regulate the terms, security and conditions
9 with respect to any such loans or financial assistance and the
10 charges for interest and service connected therewith, all at the
11 sole discretion of the board of directors.

12 (2) To guarantee up to fifty per cent of equity investments
13 in a minority business enterprise made by any person,
14 partnership, corporation or other entity not then an equity
15 holder or involved in the management of the minority business
16 enterprise or employed by said minority business enterprise or
17 in any way related to said enterprise, its current shareholders,
18 officers or other management personnel, any such guarantees to
19 be made on such terms and conditions as may be determined by the
20 board of directors in its sole discretion.

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

28 (b) Any loan or other financial assistance made by the
29 authority as authorized in section 7 shall be for such period of
30 time and shall bear interest at such rate as shall be determined

1 by the authority and loans shall be evidenced by bond or note of
2 the borrower and secured as may be required by the board of
3 directors.

4 (c) Prior to the loaning of any funds or granting any
5 financial assistance to a minority business enterprise, the
6 authority shall receive from such prospective borrower an
7 application in form adopted by the authority and abiding by any
8 regulations established by the authority.

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

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

28 Section 10. Moneys of the Authority.--All moneys of the
29 authority from whatever source derived shall be paid to the
30 treasurer of the authority. Said moneys shall be deposited in

1 the first instance by the treasurer in one or more banks or
2 trust companies, in one or more special accounts, and each of
3 such special accounts shall be continuously secured by a pledge
4 of direct obligations of the United States of America or of the
5 Commonwealth, having an aggregate market value, exclusive of
6 accrued interest, at all times at least equal to the balance on
7 deposit in such account. Such securities shall either be
8 deposited with the treasurer or be held by a trustee or agent
9 satisfactory to the authority. All banks and trust companies are
10 authorized to give such security for such deposits. The moneys
11 in said accounts shall be paid out on the warrant or other order
12 of the treasurer of the authority, or of such other person or
13 persons as the authority may authorize to execute such warrants
14 or orders.

15 Section 11. Minority Business Development Fund.--(a) There
16 is hereby created a special account in the Treasury of the
17 Commonwealth to be known as the "Minority Business Development
18 Fund" to which shall be accredited the appropriation provided by
19 this act and any subsequent appropriations made by the
20 Legislature to the authority as well as such other deposits and
21 contributions as may be received from any other source by the
22 authority, as well as such other deposits as this section
23 provided.

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

28 (c) The authority shall also requisition, from time to time,
29 from the Minority Business Development Fund, such amounts as
30 shall be allocated and appropriated by the authority for loans

1 or other financial assistance to minority business enterprises.
2 When and as the amounts so allocated and appropriated by the
3 authority as loans or other financial assistance are repaid to
4 the authority pursuant to the terms of the bonds or notes or
5 other agreements made and entered into by the authority, the
6 authority shall pay such amounts into the Minority Business
7 Development Fund, it being the intent of this act that the
8 Minority Business Development Fund shall operate as a revolving
9 fund whereby all appropriations, deposits, contributions and
10 payments made thereto may be applied and reapplied to the
11 purposes of this act.

12 (d) All appropriations, deposits and contributions made to
13 the Minority Business Development Fund shall be immediately
14 credited in full to said fund, and earnings on the moneys held
15 in said fund shall also be credited to the fund for the purposes
16 of this act.

17 (e) At any time that the authority shall determine that
18 funds held for the credit of the Minority Business Development
19 Fund are in excess of the amount needed by the authority to
20 carry out the purposes of this act, the authority shall take
21 such action as shall be required to release such excess from the
22 Minority Business Development Fund and transfer the same to the
23 General Fund of the State Treasury.

24 Section 12. Conflict of Interest Prohibited.--No member of
25 the authority or officer or employee thereof shall either
26 directly or indirectly be a party to or be in any manner
27 interested in any contract or agreement with the authority for
28 any matter, cause or thing whatsoever by reason whereof any
29 liability or indebtedness shall in any way be created against
30 such authority. If any contract or agreement shall be made in

1 violation of the provisions of this section the same shall be
2 null and void and no action shall be maintained thereon against
3 such authority.

4 Section 13. Examination and Audit of Authority Affairs.--The
5 accounts and books of the authority, including its receipts,
6 disbursements, contracts, investments and other matters relating
7 to its finances, operation and affairs shall be examined and
8 audited from time to time by the Auditor General as provided in
9 The Administrative Code of 1929.

10 Section 14. Bonds.--(a) The bonds of the authority shall be
11 authorized by resolution of the board thereof or by the terms of
12 a trust indenture authorized by such board, and shall be of such
13 series, shall bear such date or dates, shall mature at such time
14 or times, not exceeding the life of the authority, shall bear
15 interest at such rate or rates, shall be in such denominations,
16 shall be in such form, either coupon or fully registered without
17 coupons, shall carry such registration, exchangeability and
18 interchangeability privileges, shall be payable in such medium
19 of payment and at such place or places, shall be subject to such
20 terms of redemption, not exceeding one hundred five per cent of
21 the principal amount thereof and shall be entitled to such
22 priorities in the revenues or receipts of the authority as such
23 trust, indenture, resolution or resolutions may provide. The
24 bonds shall be signed by such officers, either manually or by
25 facsimile as the authority shall determine, and coupon bonds
26 shall have attached thereto interest coupons bearing the
27 facsimile signature of the treasurer of the authority, all as
28 may be prescribed in such resolution or resolutions. Any such
29 bonds may be issued and delivered, notwithstanding that one or
30 more of the officers signing such bonds or the treasurer whose

1 facsimile signature shall be upon the coupons or any thereof,
2 shall have ceased to be such officer or officers at the time
3 when such bonds actually shall be delivered. Said bonds may be
4 sold at public or private sale for such price or prices as the
5 authority shall determine. The net interest cost of maturity of
6 the money received for any issue of bonds, whether sold at
7 public or private sale, shall not exceed eight per cent per
8 annum.

9 For the purposes of this section, net interest cost shall be
10 determined by ascertaining the total amount of interest payable
11 with respect to the bonds, computed from the date of the bonds
12 to the stated maturity dates thereof, plus the amount of any
13 discount from the principal amount of the bonds or less the
14 amount of any premium in excess of the principal amount of the
15 bonds. Pending the preparation of the definitive bonds, interim
16 receipts may be issued to the purchaser or purchasers of such
17 bonds, and may contain such terms and conditions as the
18 authority may determine.

19 (b) Such bonds are hereby made securities in which all
20 officers of the State and its political subdivisions and
21 municipal officers and administrative departments, boards and
22 commissions of the Commonwealth, all banks, bankers, savings
23 banks, trust companies, saving and loan associations, investment
24 companies and other persons carrying on a banking business, all
25 insurance companies, insurance associations, and other persons
26 carrying on an insurance business, and all administrators,
27 executors, guardians, trustees, and other fiduciaries, and all
28 other persons whatsoever who now or hereafter may be authorized
29 to invest in bonds or other obligations of the Commonwealth,
30 properly and legally may invest any funds, including capital,

1 belonging to them or within their control, and said bonds or
2 other securities or obligations hereby are made securities which
3 properly and legally may be deposited with, and received by, any
4 State or municipal officers or agency of the Commonwealth for
5 any purpose for which the deposit of bonds or other obligations
6 of the Commonwealth now is or hereafter may be authorized by
7 law.

8 (c) Any trust indenture, resolution or resolutions
9 authorizing any bonds may contain provisions which shall be part
10 of the contract with the holders thereof as to (i) pledging all
11 or any of the revenues or receipts and contract rights of the
12 authority; (ii) the terms and provisions of the bonds; (iii)
13 limitations on the purposes to which the proceeds of the bonds,
14 then or thereafter to be issued, under such indenture or
15 resolution, or of any loan or grant by the United States may be
16 applied; (iv) limitations on the issuance of additional bonds;
17 (v) the terms and provisions of any deed of trust or indenture
18 securing the bonds, or under which the same maybe issued; and
19 (vi) any other or additional agreements with the holders of the
20 bonds.

21 (d) The authority may enter into any deeds of trust,
22 indentures or other agreements with any bank or trust company,
23 or other person or persons in the United States having power to
24 enter into the same, including any Federal or other governmental
25 agency, as security for such bonds, and may assign and pledge
26 all or any of the revenues, receipts, and contract rights of the
27 authority thereunder. Such deed of trust, indenture or other
28 agreement may contain such provisions as may be customary in
29 such instruments, or as the authority may authorize.

30 (e) Said bonds shall have all the qualities of negotiable

1 instruments under the law merchant, and the negotiable
2 instruments law of the Commonwealth of Pennsylvania.

3 Section 15. Refunding Bonds.--The authority is hereby
4 authorized to provide, by resolution of the board, for the
5 issuance of refunding bonds for the purpose of refunding any
6 bonds of the authority issued under the provisions of this act
7 and then outstanding, either by voluntary exchange with the
8 holders of such outstanding bonds or to provide funds to redeem
9 and retire such outstanding bonds, with accrued interest, and
10 any premium payable thereon at maturity or at any call date. The
11 issuance of such refunding bonds, the maturities and other
12 details thereof, the rights of the holders thereof, and the
13 duties of the authority in respect to the same, shall be
14 governed by the foregoing provisions of this act in so far as
15 the same may be applicable. Refunding bonds may be issued by the
16 authority to refund bonds originally issued or to refund bonds
17 of the authority previously issued for refunding purposes.

18 Section 16. Remedies of Bondholders.--(a) The rights and the
19 remedies herein conferred upon, or granted to the bondholders,
20 shall be in addition to, and not in limitation of, any rights
21 and remedies lawfully granted to such bondholders by the
22 resolution or resolutions providing for the issuance of bonds,
23 or by any deed of trust, indenture or other agreement under
24 which the same shall be issued. In the event that the authority
25 shall default in the payment of principal of, or interest on,
26 any of the bonds after said principal or interest shall become
27 due, whether at maturity or upon call for redemption, and such
28 default shall continue for a period of thirty days, or in the
29 event that the authority shall fail or refuse to comply with the
30 provisions of this act, or shall default in any agreement made

1 with the holders of the bonds, the holders of twenty-five per
2 cent in aggregate principal amount of the bonds then
3 outstanding, by instrument or instruments filed in the office of
4 the recorder of deeds of the county, and proved or acknowledged
5 in the same manner as a deed to be recorded may (except as such
6 right may be limited under the provisions of any deed of trust,
7 indenture or other agreement as aforesaid), appoint a trustee to
8 represent the bondholders for the purposes herein provided. Such
9 trustee and any trustee under any deed of trust, indenture or
10 other agreement may, and upon written request of the holders of
11 twenty-five per cent (or such other percentage as may be
12 specified in any deed of trust, indenture or other agreement
13 aforesaid) in principal amount of the bonds then outstanding,
14 shall, in his or its own name:

15 (1) By mandamus or other suit, action or proceeding at law
16 or in equity, enforce all rights of the bondholders, including
17 the right to require the authority to collect charges and other
18 pledged assets adequate to carry out any agreements as to, or
19 pledge of the revenues, receipts and contract rights of, the
20 authority, and to require the authority to carry out any other
21 agreements with or for the benefit of the bondholders, and to
22 perform its and their duties under this act.

23 (2) Bring suit upon the bonds.

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

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

30 (5) By notice in writing to the authority, declare all bonds

1 due and payable, and if all defaults shall be made good, then
2 with the consent of the holders of twenty-five per cent (or such
3 other percentage as may be specified in any deed of trust,
4 indenture or other agreement aforesaid) of the principal amount
5 of the bonds then outstanding, to annul such declaration and its
6 consequences.

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

1 (c) In addition to all other rights and all other remedies,
2 any holder of bonds of the authority shall have the right by
3 mandamus or other suit, action or proceeding at law, or in
4 equity, to enforce his rights against the authority, including
5 the right to require the authority to collect fees and other
6 charges adequate to carry out any agreement as to, or pledge of,
7 such fees or other charges or income, revenues and receipts, and
8 to require the authority to carry out any of its covenants and
9 agreements with the bondholders and to perform its and their
10 duties under this act.

11 Section 17. Issuance of Bonds.--The bonds of the authority
12 may be issued pursuant to one or more resolutions or one or more
13 trust indentures and, as provided in such resolution or trust
14 indenture, the moneys set aside in any fund or funds pledged for
15 any particular bonds or series of bonds shall be held for the
16 sole benefit of such bonds, separate and apart from the moneys
17 pledged for any other bonds of the authority issued under any
18 other resolution or trust indenture.

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

1 Section 19. Appropriation.--The sum of two million dollars
2 (\$2,000,000), is hereby appropriated to the Pennsylvania
3 Minority Business Development Authority for the purposes set
4 forth in this act.

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