

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 957

Session of  
1975

INTRODUCED BY MESSRS. BENNETT, L. E. SMITH, ROMANELLI, WANSACZ,  
HAMMOCK, DOMBROWSKI, STOUT, ZWIKL, KOWALYSHYN, MCGINNIS,  
KNEPPER, SCHEAFFER, DeVERTER, LAUGHLIN, LETTERMAN, SALOOM AND  
HALVERSON, APRIL 8, 1975

SENATOR ZEMPRELLI, BUSINESS AND COMMERCE, IN SENATE, AS AMENDED,  
SEPTEMBER 30, 1975

## AN ACT

1 Amending the act of August 23, 1967 (P.L.251, No.102), entitled,  
2 as amended, "An act providing for the incorporation as public  
3 instrumentalities of the Commonwealth and as bodies corporate  
4 and politic of industrial and commercial development  
5 authorities for municipalities, counties and townships;  
6 prescribing the rights, powers and duties of such authorities  
7 hereafter incorporated; authorizing such authorities to  
8 acquire, by gift or purchase, to construct, improve and  
9 maintain industrial or commercial development projects  
10 including projects for the elimination or prevention of  
11 blight and the control of air and water pollution, and to  
12 borrow money and issue bonds therefor; providing for the  
13 payment of such bonds and giving security therefor, and  
14 prescribing the rights of the holders of such bonds;  
15 authorizing the lease or sale of industrial or commercial  
16 development projects to industrial, commercial, manufacturing  
17 or research and development enterprises; authorizing any  
18 county, municipality or township to transfer or convey to  
19 such authorities, any facilities or property available for  
20 industrial or commercial development projects; exempting the  
21 property and securities of such authorities from taxation;  
22 authorizing such authorities to enter into contracts with and  
23 to accept grants from the Federal Government or any agency  
24 thereof; and providing for approval by the Secretary of  
25 Commerce of the proceedings relating to industrial or  
26 commercial development projects of such authorities,"  
27 revising the title of the act; defining, further defining,  
28 and reordering certain terms; ~~and~~ further providing for  
29 purposes and powers AND FURTHER CLARIFYING TAX EXEMPTIONS.

<—  
<—

30 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. The title, act of August 23, 1967 (P.L.251,  
3 No.102), known as the "Industrial and Commercial Development  
4 Authority Act," amended December 29, 1972 (P.L.1675, No.359), is  
5 amended to read:

6 AN ACT

7 "An act providing for the incorporation as public  
8 instrumentalities of the Commonwealth and as bodies corporate  
9 and politic of industrial and commercial development  
10 authorities for municipalities, counties and townships;  
11 prescribing the rights, powers and duties of such authorities  
12 hereafter incorporated; authorizing such authorities to  
13 acquire, by gift or purchase, to construct, improve and  
14 maintain industrial, specialized, or commercial development  
15 projects including projects for the elimination or prevention  
16 of blight and the control of air and water pollution, and to  
17 borrow money and issue bonds therefor; providing for the  
18 payment of such bonds and giving security therefor, and  
19 prescribing the rights of the holders of such bonds;  
20 authorizing the lease or sale of industrial, specialized, or  
21 commercial development projects to industrial, specialized  
22 or, commercial [manufacturing or research and development]  
23 enterprises; authorizing any county, municipality or township  
24 to transfer or convey to such authorities, any facilities or  
25 property available for industrial, specialized, or commercial  
26 development projects; exempting the property and securities  
27 of such authorities from taxation; authorizing such  
28 authorities to enter into contracts with and to accept grants  
29 from the Federal Government or any agency thereof; and  
30 providing for approval by the Secretary of Commerce of the

1 proceedings relating to industrial, specialized, or  
2 commercial development projects of such authorities."

3 Section 2. Clauses (3), (5), (6) and (7) of section 2 of the  
4 act, amended December 29, 1972 (P.L.1675, No.359), are amended  
5 to read:

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

8 \* \* \*

9 (3) That the present and prospective health, safety, morals  
10 and general welfare of the people of the Commonwealth require as  
11 a public purpose the promotion and development of new, expanded  
12 and rehabilitated industrial, commercial, manufacturing and  
13 research and development [enterprises] activities;

14 \* \* \*

15 (5) That to continue and further the successful program of  
16 The Pennsylvania Industrial Development Authority, it is  
17 necessary to provide additional means of financing the promotion  
18 and development of new, expanded and rehabilitated industrial,  
19 specialized, and commercial [manufacturing and research and  
20 development facilities,] enterprises, including in conjunction  
21 therewith the financing of machinery and equipment;

22 (6) That many existing industrial, specialized and  
23 commercial [manufacturing and research and development]  
24 enterprises throughout the Commonwealth could become more  
25 competitive and could expand more rapidly if such additional  
26 means of financing were available for modern buildings, plant  
27 facilities and modern machinery and equipment;

28 (7) That additional industrial, specialized, and commercial  
29 [manufacturing and research and development facilities]  
30 enterprises could be attracted to the Commonwealth if such

1 additional means of financing were available to construct,  
2 rehabilitate and expand industrial, specialized facilities, or  
3 commercial buildings, or plants and in conjunction therewith  
4 equip the same with modern machinery and equipment;

5 \* \* \*

6 Section 3. Clause (9) of section 2 of the act, added  
7 December 29, 1972 (P.L.1675, No.359), is amended and a clause is  
8 added to read:

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

11 \* \* \*

12 (9) That the provisions of the Constitution of Pennsylvania  
13 guaranteeing the residents of the Commonwealth clean air and  
14 water and their implementation through the establishment of  
15 quality standards relating to abatement or elimination of air  
16 and water pollution have resulted in the need for additional  
17 means of financing to assist and encourage industrial,  
18 [manufacturing, research and development, agricultural and  
19 utility] specialized, and commercial enterprises to comply with  
20 such air and water pollution control standards.

21 (10) That there is now, and is expected to be, a critical  
22 need for the production of water suitable for public use and  
23 consumption, natural gas, coal, oil, electric energy, THROUGH <—  
24 THE USE OF COAL-FIRED GENERATING FACILITIES and other resources,  
25 and that in order to insure continuing supplies of such  
26 resources at reasonable rates, it is necessary to provide  
27 additional means of financing enterprises directed to such  
28 production.

29 (11) THAT TO PROTECT THE HEALTH, SAFETY AND GENERAL WELFARE <—  
30 OF THE PEOPLE OF THE COMMONWEALTH AND TO FURTHER ENCOURAGE

1 ECONOMIC DEVELOPMENT WITHIN THE COMMONWEALTH BY PROVIDING BASIC  
2 SERVICES AND FACILITIES, IT IS NECESSARY TO PROVIDE ADDITIONAL  
3 OR ALTERNATIVE MEANS OF FINANCING CERTAIN TRANSPORTATION  
4 FACILITIES, INDUSTRIAL PARKS, NURSING HOMES, ENERGY CONVERSION  
5 FACILITIES AND FACILITIES FOR THE FURNISHING OF ELECTRIC ENERGY  
6 THROUGH THE USE OF COAL-FIRED GENERATING FACILITIES, GAS, OR  
7 WATER AVAILABLE ON REASONABLE DEMAND TO MEMBERS OF THE GENERAL  
8 PUBLIC.

9 \* \* \*

10 Section 4. Section 3 of the act, amended December 29, 1971  
11 (P.L.647, No.171), September 1, 1972 (Sp.Sess. No.1, P.L.2015,  
12 No.2) and December 29, 1972 (P.L.1675, No.359), is amended to  
13 read:

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

15 [(1) "Authority" or "industrial and commercial development  
16 authority" means a public instrumentality of the Commonwealth  
17 and a body politic and corporate, created pursuant to this act.

18 (2) "Board" means the governing body of an authority.

19 (3) "Bonds" mean and include the notes, bonds, refunding  
20 notes and bonds and other evidence of indebtedness or  
21 obligations which each authority is authorized to issue pursuant  
22 to section 6(b)(10) of this act.

23 (4) "Construction" means and includes acquisition by deed,  
24 lease, sale, gift or otherwise, and construction, and the term  
25 "to construct" means and includes to acquire by deed, lease,  
26 sale, gift or otherwise, and to construct, all in such manner as  
27 may be deemed desirable.

28 (5) "Cost of the industrial or commercial development  
29 project" or "cost of the project" or "cost" means and includes  
30 the cost of construction, the cost of acquisition of all

1 structures, lands and other property rights and interests in  
2 land necessary to the project, the cost of demolishing, removing  
3 or relocating any buildings or structures on lands acquired or  
4 to be acquired, including the cost of acquiring any lands to  
5 which such buildings or structures may be moved or relocated,  
6 the cost of sewage treatment, industrial waste treatment and air  
7 pollution control facilities and of all labor, materials,  
8 machinery and equipment, financing charges, interest on all  
9 bonds prior to and during construction, and for a period of six  
10 months thereafter, cost of engineering, financial and legal  
11 services, plans, specifications, studies, surveys necessary or  
12 incidental to determining the feasibility or practicability of  
13 constructing an industrial or commercial development project,  
14 administrative expenses, reserves for interest and for  
15 extensions, enlargements, additions and improvements, and such  
16 other expenses as may be necessary or incidental to the  
17 construction of industrial or commercial development projects  
18 and the placing of the same in operation.

19 (6) "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 (7) "Governmental body" or "governmental bodies" means the  
25 body or board authorized by law to enact ordinances or adopt  
26 resolutions for the particular municipality.

27 (8) "Improvement" means and includes extension, enlargement  
28 and other improvement; and the term "to improve" means and  
29 includes to extend, to enlarge, and to otherwise improve all in  
30 such manner as may be deemed desirable.

1 (9) "Industrial enterprise" means an enterprise other than a  
2 mercantile, commercial or retail enterprise, which by virtue of  
3 its size requires substantial capital and which by its nature  
4 and size has created or will create substantial employment  
5 opportunities. The term "industrial enterprise" may include  
6 warehouse, distribution and national and regional headquarters  
7 facilities. The term "industrial enterprise" may also include  
8 enterprises directly related to tourism and recreational  
9 facilities provided such activity comprises or is a part of a  
10 planned tourist or recreational complex and provided that such  
11 activity requires substantial capital and by its nature and size  
12 has created or will create substantial employment opportunities.

13 (10) "Industrial development project" or "project" means any  
14 building or facility or combination or part thereof or pollution  
15 control facilities occupied or utilized by an industrial,  
16 manufacturing, or research and development enterprise, or, in  
17 the case of pollution control facilities, occupied or utilized  
18 by a utility or agricultural enterprise or by a company engaged  
19 in the extraction of any mineral coal, oil or natural resources,  
20 located within or without or partially within or without the  
21 municipality creating the authority, now existing or hereafter  
22 acquired or constructed by the authority pursuant to the terms  
23 of this act, including any or all buildings, improvements,  
24 additions, extensions, replacements, appurtenances, lands,  
25 rights in land, water rights, franchises, machinery, equipment,  
26 furnishings, landscaping, utilities, railroad spurs and sidings,  
27 wharfs, approaches and roadways necessary or desirable in  
28 connection therewith or incidental thereto.

29 (11) "Industrial occupant" means any person, partnership, or  
30 corporation engaged in industrial, manufacturing or research and

1 development activities and determined by the authority to be  
2 financially responsible to assume all obligations prescribed by  
3 the authority and this act in the leasing, sale and operation of  
4 an industrial development project, and shall also mean a  
5 financially responsible nonprofit community industrial  
6 development agency engaged in establishing industrial  
7 development projects, whether for single or multiple occupancy  
8 for use by any person, partnership, or corporation engaged in  
9 industrial manufacturing or research and development activities.

10 (12) "Manufacturing enterprise" means an enterprise which is  
11 engaged in the giving of new shapes, new qualities or new  
12 combinations to matter by the application of skill and labor  
13 thereto through the use of equipment or otherwise.

14 (12.1) "Commercial enterprise" means a business enterprise  
15 other than one used for industrial purposes, which by virtue of  
16 its size requires substantial capital and which by its nature  
17 and size has created or will create substantial employment  
18 opportunities. The term "commercial enterprise" may include  
19 office buildings, hotel or motel structures, shopping centers  
20 and department stores and national and regional headquarters  
21 facilities: Provided, however, That with respect to  
22 redevelopment pursuant to a redevelopment proposal, there shall  
23 be no requirement concerning the expenditure of substantial  
24 capital or the creation of substantial employment opportunities.

25 (12.2) "Commercial development project" means any building  
26 or facility or combination or part thereof occupied or utilized  
27 by a commercial enterprise located within or without or  
28 partially within or without the municipality creating the  
29 authority, now existing or hereafter acquired or constructed by  
30 the authority pursuant to the terms of this act, including any



1 or all buildings, improvements, additions, extensions,  
2 replacements, appurtenances, lands, rights in land, water  
3 rights, franchises, landscaping, utilities, railroad spurs and  
4 sidings, wharfs, approaches and roadways necessary or desirable  
5 in connection therewith or incidental thereto.

6 (12.3) "Commercial occupant" means any person, partnership,  
7 or corporation engaged in commercial activities and determined  
8 by the authority to be financially responsible to assume all  
9 obligations prescribed by the authority and this act in the  
10 leasing, sale and operation of a commercial development project.

11 (13) "Municipality" means any county, city, town, borough or  
12 township of the Commonwealth of Pennsylvania.

13 (14) "Research and development enterprise" means an  
14 enterprise for the discovery of new and the refinement of known  
15 substances, processes, products, theories and ideas, but shall  
16 not include activities directed primarily to the accumulation or  
17 analysis of commercial, financial or mercantile data.

18 (15) "Secretary" means the Secretary of Commerce of this  
19 Commonwealth.

20 (16) "Investor-developer" means any person, partnership or  
21 corporation engaged in the development for use by commercial and  
22 or industrial occupants of one or more commercial development  
23 projects and or industrial development projects and determined  
24 by the authority to be financially responsible to assume all  
25 obligations prescribed by the authority and this act in the  
26 acquisition, development, construction, leasing, sale, operation  
27 and financing in whole or in part of a commercial development  
28 project or an industrial development project.

29 (17) "Pollution control facilities" means any property, real  
30 or personal which is to be used to abate or reduce or aid in the

1 prevention, control, disposal or monitoring of noise, air, water  
2 or thermal pollution, solid waste or other pollutants without  
3 limitation thereto and may include property or equipment which  
4 is to be installed primarily to supplement or to replace  
5 existing property or equipment not meeting acceptable pollution  
6 control standards or which is to be supplemented or replaced to  
7 comply with an order or citation to eliminate pollution issued  
8 by any Federal, State or local authority having jurisdiction.

9 (18) "Disaster relief project" means any undertaking to  
10 rehabilitate, repair, reconstruct, clean-up, replace, or  
11 otherwise return to economic use any land, site, structure, or  
12 facility, including machinery, equipment and tools damaged or  
13 lost due to disaster of flood or fire or other casualty caused  
14 by the floods of September, 1971 or June, 1972 and comprising or  
15 being a part of an industrial, commercial, agricultural,  
16 utility, manufacturing or research and development enterprise.

17 (19) "Utility enterprise" means any public or private  
18 company or corporation engaged primarily in an activity  
19 regulated by the Pennsylvania Public Utility Commission.

20 (20) "Agricultural enterprise" means any proprietorship,  
21 partnership, company, or corporation which is engaged primarily  
22 in raising, preparing, or marketing crops, livestock or related  
23 products.

24 (21) "Redevelopment proposal" shall mean a proposal,  
25 including a copy of the redevelopment area plan and supporting  
26 data submitted for approval to the governing body by an  
27 authority, for the development of all or any part of a  
28 redevelopment area. A redevelopment area shall be determined by  
29 the provisions of the act of May 24, 1945 (P.L.991, No.385),  
30 known as the "Urban Redevelopment Law." ]

1 ~~"Acquisition" and "to acquire" mean and include the obtaining~~ ←  
2 ~~of possession or title to real or personal property by deed,~~  
3 ~~lease, sale, gift or otherwise.~~

4 "Agricultural activity" means any person, partnership, or  
5 corporation which is engaged primarily in raising, preparing, or  
6 marketing crops, livestock, or related products.

7 "Authority" or "industrial and commercial development  
8 authority" means a public instrumentality of the Commonwealth  
9 and a body politic and corporate, created pursuant to this act.

10 "Board" means the governing body of an authority.

11 "Bonds" means and includes the notes, bonds, refunding notes  
12 and bonds and other evidence of indebtedness or obligations  
13 which each authority is authorized to issue pursuant to section  
14 6(b)(10) of this act.

15 "Certain transportation facilities" means airports, docks,  
16 wharves, mass commuting facilities, public parking facilities,  
17 inter modal transportation facilities, or storage or training  
18 facilities directly related to any such facility.

19 "Commercial enterprise" means an enterprise other than a  
20 specialized enterprise or industrial enterprise which by its  
21 nature or size requires substantial capital and which by its  
22 nature or size has created, or offers reasonable likelihood of  
23 creating, substantial employment opportunities. The term  
24 "commercial enterprise" may include wholesale, retail and other  
25 mercantile activities, and may include office buildings, hotel ←  
26 or motel structures, shopping centers, and department stores AND ←

27 INTERNATIONAL, NATIONAL AND REGIONAL HEADQUARTERS FACILITIES:  
28 Provided, however, That with respect to redevelopment pursuant  
29 to a redevelopment proposal, there shall be no requirement  
30 concerning substantiality of capital nor substantiality of

1 creation of employment opportunities.

2 "Construction" and "to construct" mean and include the  
3 ACQUISITION, erection, extension, renovation, enlargement or ←  
4 substantial repair of structures employed in, or related to,  
5 activities comporting with the intent of this act, and also  
6 include activities substantially related to such ACQUISITION, ←  
7 erection, extension, renovation, enlargement or substantial  
8 repair of structures employed in, or related to, such  
9 activities.

10 "Cost of the industrial development project, specialized  
11 development project or commercial development project" or "cost  
12 of the project" or "cost" means and includes the expense of  
13 construction, the expense of acquisition of all structures,  
14 lands and other property rights and interests in land necessary  
15 to the project. The terms also include the expense of  
16 demolishing, removing or relocating any buildings or structures  
17 on lands acquired or to be acquired, including the expense of  
18 acquiring any lands to which such buildings or structures may be  
19 moved or relocated, the expense of sewage treatment, waste  
20 treatment and pollution control facilities, railroad sidings,  
21 spurs, or branch lines and of all labor, materials, machinery  
22 and equipment, financing charges, interest on all bonds prior to  
23 and during construction, and for a period of six months  
24 thereafter, cost of engineering, financial and legal services,  
25 plans, specifications, studies, surveys necessary or incidental  
26 to determining the feasibility or practicability of constructing  
27 an industrial, specialized, or commercial development project,  
28 administrative expenses, reserves for interest and for  
29 extensions, enlargements, additions and improvements, and such  
30 other expenses as may be necessary or incidental to the

1 construction of industrial, specialized, or commercial  
2 development projects and the placing of the same in operation.

3 "Disaster relief project" means any undertaking to  
4 rehabilitate, repair, reconstruct, clean up, replace or  
5 otherwise return to economic use any land, site, structure, or  
6 facility, including machinery, equipment and tools damaged or  
7 lost due to disaster of flood or fire or other casualty  
8 comprising or being a part of an industrial, specialized or  
9 commercial enterprise. In order to qualify as a disaster relief  
10 project, a project must be located within a county designated as  
11 a disaster area by the President of the United States.

12 "Energy conversion activity" FACILITY" means an improvement <—  
13 to an industrial, commercial, or specialized development project  
14 which changes the fuel burning capability of a combustion <—  
15 facility, located thereon CHANGES ITS FUEL CONSUMPTION <—  
16 CAPABILITY to a fuel determined by the department AUTHORITY, <—  
17 WITH THE APPROVAL OF THE SECRETARY to be more desirable than the  
18 fuel used by said facility THE OCCUPANT OF THE PROJECT at the <—  
19 time application is made to the authority.

20 "Energy producing activity" means an activity to create,  
21 extract, transmit, or store energy or energy producing  
22 substances, including, but not limited to coal mine operations,  
23 oil and gas operations, solar, nuclear, or geothermal energy  
24 operations.

25 "Federal agency" means and includes the United States of  
26 America, the President of the United States of America, and any  
27 department of or corporation, agency or instrumentality  
28 heretofore or hereafter created, designated or established by  
29 the United States of America.

30 "Governmental body" or "governmental bodies" means the body

1 or board authorized by law to enact ordinances or adopt  
2 resolutions for the particular municipality.

3 "Improvement" and "to improve" mean and include construction  
4 and other changes determined by an authority with the approval  
5 of the secretary to comport with the purposes of this act.

6 "Industrial development project," "specialized development  
7 project," "commercial development project," "development  
8 project" or "project" means any pollution control facilities or  
9 any combination or part of buildings or facilities occupied or  
10 utilized by an industrial, specialized, or commercial enterprise  
11 located within or without, or partially within or without, the  
12 municipality creating the authority, or existing or hereafter  
13 acquired or constructed by the authority pursuant to the terms  
14 of this act, including any or all buildings, improvements,  
15 additions, extensions, replacements, appurtenances, lands,  
16 rights in land, water rights, franchises, machinery, equipment,  
17 furnishings, landscaping, utilities, railroad spurs and sidings,  
18 wharves, approaches and roadways necessary or desirable in  
19 connection therewith or incidental thereto. The term  
20 "development project" includes, as well, pollution control  
21 facilities occupied or utilized by any utility activity,  
22 agricultural activity or any person, partnership, or corporation  
23 engaged in the extraction of any mineral coal, natural gas, oil  
24 or other natural resources.

25 "Industrial enterprise" means an enterprise other than a  
26 specialized enterprise or commercial enterprise which by its  
27 nature or size requires substantial capital and which by its  
28 nature or size has created or offers a reasonable likelihood of  
29 creating substantial employment opportunities. The term  
30 "industrial enterprise" may include manufacturing activities and

1 research and development activities, as well as warehouse  
2 facilities, distribution facilities, and international, national  
3 and regional headquarters facilities. The term "industrial  
4 enterprise" also includes activities directly related to tourism  
5 and recreational facilities, provided that such activities  
6 comprise or are part of a planned or established tourist or  
7 recreational complex.

8 "Industrial parks" means land areas acquired (including  
9 existing buildings and improvements), and improvements to be  
10 placed thereon ~~as prepared~~ by a nonprofit development <—  
11 organization in accordance with plans and specifications ~~as~~ <—  
12 approved by the secretary as sites for the establishment thereon  
13 of two or more industrial, specialized, or commercial  
14 development projects.

15 "Investor-developer" means any person, partnership or  
16 corporation engaged in the development for use by occupants of  
17 one or more development projects and determined by the authority  
18 to be financially responsible to assume all obligations  
19 prescribed by the authority and this act in the acquisition,  
20 development, construction, leasing, sale, operation and <—  
21 financing in whole or in part of a development project.

22 "Manufacturing activity" means ~~an activity which is engaged~~ <—  
23 ~~in~~ the giving of new shapes, new qualities or new combinations  
24 to matter by the application of skill and labor thereto through  
25 the use of equipment or otherwise.

26 "Municipality" means any county, city, town, borough or  
27 township of the Commonwealth of Pennsylvania, each of which  
28 political subdivisions are separate incorporated municipalities  
29 of the Commonwealth of Pennsylvania for the purposes of this  
30 act.

1 "Nursing home" means any facility licensed or approved as a  
2 nursing home by the Department of Public Welfare under the act  
3 of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare  
4 Code."

5 "Occupant" means any person, partnership, or corporation  
6 engaged in an industrial, commercial or specialized enterprise  
7 and determined by the authority to be financially responsible to  
8 assume all obligations prescribed by the authority and this act  
9 in the lease, sale, and operation of a development project. The  
10 term "occupant" shall also mean a financially responsible  
11 nonprofit development agency engaged in establishing development  
12 projects, whether for single or multiple occupancy for use by  
13 any person, partnership, or corporation engaged in any  
14 enterprise.

15 "Pollution control facilities" means any property, real or  
16 personal, which is to be used to abate or reduce or aid in the  
17 prevention, control, disposal or monitoring of noise, air, water  
18 or thermal pollution, solid waste or other pollutants without  
19 limitation thereto and may include property or equipment which  
20 is to be installed primarily to supplement or to replace  
21 existing property or equipment not meeting acceptable pollution  
22 control standards or which is to be supplemented or replaced to  
23 comply with an order or citation to eliminate pollution issued  
24 by any Federal, State or local authority AGENCY having ←  
25 jurisdiction.

26 "Redevelopment proposal" means a proposal, including a copy  
27 of the redevelopment area plan and supporting data submitted for  
28 approval to the governing body by an authority, for the  
29 development of all or any part of a redevelopment area.

30 "Research and development activity" means an activity for the



1 discovery of new and the refinement of known substances,  
2 processes, products, theories and ideas, but shall not include  
3 activities directed primarily to the accumulation or analysis of  
4 commercial, financial or ~~mercantile~~ MERCANTILE data. ←

5 "Secretary" means the Secretary of Commerce of the  
6 Commonwealth.

7 "Specialized enterprise" means an enterprise, other than an  
8 industrial enterprise or a commercial enterprise, which by its  
9 nature or size requires substantial capital. The term  
10 "specialized enterprise" includes, and is expressly limited to,  
11 certain transportation facilities, nursing homes, industrial  
12 parks, facilities for the furnishing by a utility activity of  
13 electric energy, gas, or water available on reasonable demand to  
14 members of the general public, ENERGY CONVERSION FACILITIES, ←  
15 energy-producing activities, and the construction of rail  
16 sidings, spurs, and branch lines.

17 "Utility activity" means any public or private company or  
18 corporation engaged primarily in an activity regulated by the  
19 Pennsylvania Public Utility Commission.

20 Section 5. Subsection (a), clauses (8), (9) and (16) of  
21 subsection (b) and subsection (d) of section 6 of the act,  
22 subsection (a) and clauses (1), (2) and (4) of subsection (d)  
23 amended December 29, 1971 (P.L.647, No.171), and clauses (8),  
24 (9) and (16) of subsection (b) amended December 29, 1972  
25 (P.L.1675, No.359), are amended to read:

26 Section 6. Purposes and Powers; General.--(a) Every  
27 authority incorporated under this act shall be a public  
28 instrumentality of the Commonwealth and a public body corporate  
29 and politic, and shall be for the purpose of acquiring, holding,  
30 constructing, improving, maintaining, owning, financing and

1 leasing, either in the capacity of lessor or lessee, industrial,  
2 specialized or commercial development projects. In the event of  
3 default by an [industrial or commercial] occupant, an authority  
4 may, in its discretion, do any and all acts necessary or  
5 convenient to protect the holders of any bonds issued to  
6 establish such project or to maintain and preserve the project  
7 pending the remedying of such default or defaults or the  
8 obtaining of a new [industrial or commercial] occupant.

9 (b) Every authority is hereby granted, and shall have and  
10 may exercise all powers necessary or convenient for the carrying  
11 out of the aforesaid purposes, including but without limiting  
12 the generality of the foregoing, the following rights and  
13 powers:

14 \* \* \*

15 (8) To enter into acquisition agreements providing for (i)  
16 the construction of industrial, specialized, or commercial  
17 development projects by either the authority or the [industrial  
18 or commercial] occupant; (ii) the financing of industrial,  
19 specialized and commercial development projects to be  
20 constructed initially by an [industrial or commercial] occupant  
21 if prior to the commencement of construction an agreement as to  
22 financing is entered into between the authority and the  
23 [industrial or commercial] occupant; (iii) the financing of  
24 improvements to existing industrial, specialized or commercial  
25 development projects if the existing project is owned by the  
26 authority or will be conveyed in fee to the authority, free and  
27 clear of all encumbrances and without consideration; (iv) the  
28 leasing or sale of the industrial, specialized or commercial  
29 development projects to the [industrial or commercial] occupants  
30 or to an investor-developer as hereinafter provided; and (v) the

1 financing of the activities of investor-developers in any  
2 activity set forth in (i), (ii), (iii) or (iv) above.

3 (9) To enter into agreements of lease or sale with  
4 [industrial or commercial] occupants or investor-developers  
5 providing, inter alia, (i) for the leasing or sale of  
6 industrial, specialized and commercial development projects to  
7 the [industrial or commercial] occupants or investor-developers  
8 for a term of years not to extend beyond the term of existence  
9 of the authority; (ii) for a rental or other payments sufficient  
10 to amortize the principal, interest and premium, if any, of all  
11 bonds and other obligations of the authority incurred to pay the  
12 costs of the industrial, specialized or commercial development  
13 project to be leased or sold; (iii) for the [industrial or  
14 commercial] occupant or investor-developer to pay to the  
15 authority or to otherwise assume and pay all other costs of  
16 maintaining and operating the project; (iv) provisions, if  
17 deemed desirable, that the [industrial or commercial] occupant  
18 or investor-developer of a project pursuant to a lease shall  
19 have the options to renew such lease or to purchase any or all  
20 of such project; [or upon payment of all bonds and other  
21 obligations of the authority incurred with respect to such  
22 project, the authority may convey any part or all of said  
23 project to the industrial or commercial occupants or investor-  
24 developers with or without consideration; and] (v) for  
25 conveyance with or without consideration of any part, or all, of  
26 a project to occupants or ~~investors-developers~~ INVESTOR- ←  
27 DEVELOPERS on or before payment of all bonds and other  
28 obligations of the authority incurred with respect to such  
29 project; and (vi) such other provisions as are customary in such  
30 leases or agreements of sale or as may be deemed necessary or

1 convenient by the authority.

2 \* \* \*

3 (16) Recognizing the necessity for enterprises to  
4 immediately commence rehabilitation work and pollution control  
5 facilities, no disaster relief project or project consisting of  
6 pollution control facilities shall be rejected by the Secretary  
7 of Commerce or be otherwise disqualified under this act on the  
8 grounds that the project has commenced or has been completed,  
9 provided that in respect to a disaster relief project an  
10 application for approval by the secretary is submitted to the  
11 Department of Commerce [prior to January 1, 1973] within six  
12 months after the county in which the project is or will be  
13 located has been designated as a disaster area by the President  
14 of the United States.

15 \* \* \*

16 (d) An authority created hereunder shall have no power to:

17 (1) Construct or finance or aid in the construction or  
18 financing of an industrial, specialized, or commercial  
19 development project which shall cause the removal of a  
20 manufacturing, industrial, specialized, commercial [or research]  
21 enterprise, plant, facility or establishment from one area of  
22 the Commonwealth of Pennsylvania to another area of the  
23 Commonwealth.

24 (2) Acquire existing industrial, specialized, or commercial  
25 development projects under circumstances which would be  
26 primarily for the purpose of directly or indirectly refinancing  
27 the obligations of or providing working capital or other funds  
28 for any industrial, specialized, commercial, [manufacturing or  
29 research] enterprise or any parent, subsidiary, affiliate or  
30 shareholder thereof, which enterprise, or any parent,

1 subsidiary, affiliate or shareholder thereof, would thereafter  
2 continue to occupy or utilize said project; however, this  
3 limitation shall not apply to refinancing in order to improve an  
4 existing project now financed by the authority or by any  
5 authority or nonprofit corporation heretofore recognized as  
6 agency or an instrumentality of the Commonwealth or any  
7 municipality thereof.

8 (3) Enter into any agreement to finance the acquisition or  
9 construction of an industrial development project in excess of  
10 the cost of the project.

11 (4) Finance machinery or equipment except in conjunction  
12 with the construction of a new, or the improvement of an  
13 existing industrial, specialized, or commercial development  
14 project, but such prohibition shall not relate to the financing  
15 of pollution control facilities; or

16 (5) Engage in business, trade or commerce for a profit as  
17 lessee of a project, or otherwise.

18 Section 6. Subsections (c) and (f) of section 7 of the act,  
19 subsection (c) amended December 29, 1971 (P.L.647, No.171), and  
20 subsection (f) amended December 29, 1972 (P.L.1675, No.359), are  
21 amended to read:

22 Section 7. Purposes and Powers; Bonds.--\* \* \*

23 (c) Any resolution or resolutions authorizing any bonds may  
24 contain provisions which shall be part of the contract with the  
25 holders thereof, as to (i) pledging the full faith and credit of  
26 the authority (but not of the Commonwealth of Pennsylvania or  
27 any political subdivision thereof) for such obligations, or  
28 restricting the same to all or any of the assets or to all or  
29 any of the revenues or receipts of the authority from all or any  
30 projects or properties; (ii) the construction, improvement,

1 operation, extension, enlargement, maintenance and repair of the  
2 project and the duties of the authority and the [industrial or  
3 commercial] occupant with reference thereto; (iii) the terms and  
4 provisions of the bonds; (iv) limitations on the purposes to  
5 which the proceeds of the bonds then or thereafter to be issued,  
6 or of any loan or grant by a Federal agency may be applied; (v)  
7 the rentals and other charges for use of the project; (vi) the  
8 setting aside of reserves or sinking funds and the regulation  
9 and disposition thereof; (vii) limitations on the issuance of  
10 additional bonds; (viii) the terms and provisions of any deed of  
11 trust, mortgage or indenture securing the bonds, or under which  
12 the same may be issued, and (ix) any other or additional  
13 agreements with the holders of the bonds.

14 \* \* \*

15 (f) No bonds shall be issued and sold and the construction  
16 of a project shall not be commenced until the proceedings to be  
17 undertaken in respect of the issuance and sale of the bonds and  
18 the construction of the project have been first approved by the  
19 secretary: Provided, That construction of disaster relief  
20 projects and projects consisting of pollution control facilities  
21 may be commenced prior to the approval of the secretary: And  
22 provided further, That in respect to disaster relief projects,  
23 an application for approval in respect thereof is submitted to  
24 the secretary [prior to January 1, 1973] within six months after  
25 the county in which the project is or will be located has been  
26 designated as a disaster area by the President of the United  
27 States. The chairman of the authority shall cause to be  
28 certified under seal of the authority and delivered to the  
29 secretary such documents relating to the proceedings as may be  
30 necessary and as may be required by the secretary to enable him

1 to determine that:

2 (1) The project does not violate section 6(d) hereof;

3 (2) The lease or agreement of sale is in accordance with  
4 section 6(b)(9) hereof;

5 (3) The proceedings are in conformity with this act, and

6 (4) The industrial, specialized, and commercial development  
7 project will accomplish the public purposes of this act.

8 If such proceedings are found to be in conformity with this  
9 act, the secretary shall within twenty days after receipt  
10 thereof approve the same and certify his approval to the  
11 authority.

12 If, upon examination, the secretary shall find that such  
13 proceedings are not in accordance with this act, he shall  
14 disapprove the same and shall within twenty days after receipt  
15 thereof certify his disapproval to the authority; thereafter, it  
16 shall be unlawful for such authority to issue any bonds upon  
17 such proceedings or to commence construction of the project  
18 unless the proceedings are corrected and as corrected have been  
19 approved by the secretary. If the secretary shall not have  
20 approved or disapproved the proceedings within such twenty days  
21 the same shall be deemed to have been approved. The decision of  
22 the secretary shall be final.

23 \* \* \*

24 Section 7. Section 11 of the act, amended December 29, 1971  
25 (P.L.647, No.171), is amended to read:

26 Section 11. Transfer of Existing Facilities to Authority.--

27 Any municipality may, and it is hereby authorized to sell,

28 lease, grant, convey and transfer to any authority, any

29 facilities, or any interest in real or personal property

30 available for industrial, specialized, or commercial development

1 projects. This section without reference to any other law, shall  
2 be deemed complete, the provisions of other laws to the contrary  
3 notwithstanding.

4 Section 8. Subsection (a) of section 12 of the act, amended  
5 December 29, 1972 (P.L.1675, No.359), is amended to read:

6 Section 12. Competition in Award of Contracts.--(a) All  
7 construction, reconstruction, repairs or work of any nature made  
8 directly by any authority where the entire cost, value or amount  
9 of such construction, reconstruction, repairs or work, including  
10 labor and materials, shall exceed five thousand dollars  
11 (\$5,000), except construction, reconstruction, repairs or work  
12 done by employes of said authority, or by labor supplied under  
13 agreement with any Federal or State agency, with supplies and  
14 materials purchased as hereinafter provided, shall be done only  
15 under contract or contracts to be entered into by the authority  
16 with the lowest responsible bidder upon proper terms, after due  
17 public notice has been given asking for competitive bids as  
18 hereinafter provided: Provided, however, That where the  
19 authority is the legal title holder to the industrial,  
20 specialized, or commercial development project, and there exists  
21 an agreement whereby an [industrial or commercial] occupant or  
22 an investor-developer will or can acquire legal title to the  
23 said project under the then certain terms and conditions,  
24 contracts for construction, reconstruction, repair, or work of  
25 any nature, or purchase of machinery and equipment, may be  
26 awarded by the [industrial or commercial] occupant or the  
27 investor-developer without regard to the limitations of this  
28 section 12: And provided further, however, That for the purposes  
29 of this section 12, "construction" or "acquisition" shall not  
30 include acquisition of property for industrial, specialized, or



1 commercial development purposes. No contract shall be entered  
2 into between an authority and a contractor for construction or  
3 improvement or repair of any project or portion thereof, unless  
4 the contractor shall give an undertaking with a sufficient  
5 surety or sureties approved by the authority, and in an amount  
6 fixed by the authority, for the faithful performance of the  
7 contract. All contracts of surety shall provide among other  
8 things that the contractor entering into a contract with the  
9 authority will pay for all materials furnished and services  
10 rendered for the performance of the contract, and that any  
11 person or corporation furnishing such materials or rendering  
12 such services may maintain an action to recover for the same  
13 against the obligor in the undertaking, as though such person or  
14 corporation was named therein, provided the action is brought  
15 within one year after the time the cause of action accrued.

16 \* \* \*

17 Section 9. Subsection (f) of section 12 of the act, amended  
18 December 29, 1971 (P.L.647, No.171), is amended to read:

19 Section 12. Competition in Award of Contracts.--\* \* \*

20 (f) The provisions of this section 12 shall not apply in  
21 respect of the construction of any project or the purchase of  
22 any equipment, materials or supplies which the authority may  
23 have had transferred to it upon completion, by purchase or  
24 otherwise, by an [industrial or commercial] occupant or any  
25 other person or corporation.

26 SECTION 10. SECTION 15 OF THE ACT IS AMENDED TO READ: <—

27 SECTION 15. EXEMPTION FROM TAXATION.--THE EFFECTUATION OF  
28 THE AUTHORIZED PURPOSE OF AUTHORITIES CREATED UNDER THIS ACT  
29 SHALL AND WILL BE IN ALL RESPECTS FOR THE BENEFIT OF THE PEOPLE  
30 OF THE COMMONWEALTH OF PENNSYLVANIA, FOR THE INCREASE OF THEIR

1 COMMERCE AND PROSPERITY, AND FOR THE IMPROVEMENT OF THEIR HEALTH  
2 AND LIVING CONDITIONS; AND, SINCE THEY WILL AS PUBLIC  
3 INSTRUMENTALITIES OF THE COMMONWEALTH BE PERFORMING ESSENTIAL  
4 GOVERNMENTAL FUNCTIONS IN EFFECTUATING SUCH PURPOSES,  
5 AUTHORITIES SHALL NOT BE REQUIRED TO PAY ANY TAXES OR  
6 ASSESSMENTS UPON ANY PROPERTY ACQUIRED OR USED BY THEM FOR SUCH  
7 PURPOSES, AND THE BONDS ISSUED BY ANY AUTHORITY, THEIR TRANSFER  
8 AND THE INCOME THEREFROM, (INCLUDING ANY PROFITS MADE ON THE  
9 SALE THEREOF) SHALL AT ALL TIMES BE FREE FROM TAXATION WITHIN  
10 THE COMMONWEALTH OF PENNSYLVANIA. THE SCOPE OF THE FOREGOING  
11 EXEMPTION FROM TAXATION INCLUDES, BUT IS NOT LIMITED TO,  
12 PROPERTY TAXES, EXCISE TAXES FOR THE PRIVILEGE OF DOING  
13 BUSINESS, AND TAXES MEASURED OR DETERMINED BY INCOME OR NET  
14 EARNINGS.

15 Section ~~10~~ 11. This act shall take effect immediately.

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