

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

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 24, 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.

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<—

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 Law," 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

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

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

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

* * *

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

* * *

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

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

(7) That additional industrial, specialized, and commercial [manufacturing and research and development facilities] 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 GAS OR THROUGH THE USE OF COAL-FIRED GENERATING FACILITIES, GAS,
7 OR WATER AVAILABLE ON REASONABLE DEMAND TO MEMBERS OF THE
8 GENERAL 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."]

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

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

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

"Board" means the governing body of an authority.

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

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

"Commercial enterprise" means an enterprise other than a
specialized enterprise or industrial enterprise which by its
nature or size requires substantial capital and which by its
nature or size has created, or offers reasonable likelihood of
creating, substantial employment opportunities. The term

"commercial enterprise" may include wholesale, retail and other
mercantile activities, and may include office buildings, hotel
or motel structures, shopping centers, and department stores AND

INTERNATIONAL, NATIONAL AND REGIONAL HEADQUARTERS FACILITIES:

Provided, however, That with respect to redevelopment pursuant
to a redevelopment proposal, there shall be no requirement
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, EXCEPT THE PRODUCTION OF ELECTRICAL ENERGY BY A <—
25 UTILITY ACTIVITY.

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

1 "Governmental body" or "governmental bodies" means the body
2 or board authorized by law to enact ordinances or adopt
3 resolutions for the particular municipality.

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

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

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

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

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

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

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

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

1 act.

2 "Nursing home" means any facility licensed or approved as a
3 nursing home by the Department of Public Welfare under the act <—
4 of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare
5 Code." OR BY THE DEPARTMENT OF HEALTH. <—

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

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

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

1 "Research and development activity" means an activity for the
2 discovery of new and the refinement of known substances,
3 processes, products, theories and ideas, but shall not include
4 activities directed primarily to the accumulation or analysis of
5 commercial, financial or ~~mercantile~~ MERCANTILE data. <—

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

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

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

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

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

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

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

15 * * *

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

1 or to an investor-developer as hereinafter provided; and (v) the
2 financing of the activities of investor-developers in any
3 activity set forth in (i), (ii), (iii) or (iv) above.

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

1 leases or agreements of sale or as may be deemed necessary or
2 convenient by the authority.

3 * * *

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

16 * * *

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

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

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

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

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

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

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

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

23 Section 7. Purposes and Powers; Bonds.--* * *

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

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

15 * * *

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

1 necessary and as may be required by the secretary to enable him
2 to determine that:

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

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

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

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

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

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

24 * * *

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

27 Section 11. Transfer of Existing Facilities to Authority.--
28 Any municipality may, and it is hereby authorized to sell,
29 lease, grant, convey and transfer to any authority, any
30 facilities, or any interest in real or personal property

1 available for industrial, specialized, or commercial development
2 projects. This section without reference to any other law, shall
3 be deemed complete, the provisions of other laws to the contrary
4 notwithstanding.

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

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

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

17 * * *

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

20 Section 12. Competition in Award of Contracts.--* * *

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

27 SECTION 10. SECTION 15 OF THE ACT IS AMENDED TO READ:

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

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

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

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