

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2125 Session of
1989

INTRODUCED BY LETTERMAN, DEMPSEY, GEORGE, BUSH, RUDY, HERMAN, BELFANTI, FAIRCHILD, BOWLEY, HAYES, STUBAN, GEIST, DeWEESE, ALLEN, MANDERINO, NOYE, GAMBLE, PHILLIPS, BATTISTO, GODSHALL, DOMBROWSKI, WASS, COLE, CARLSON, B. D. CLARK, B. SMITH, O'DONNELL, HASAY, ITKIN, BURD, EVANS, REBER, PIEVSKY, KOSINSKI, STISH, HERSHEY, HALUSKA, CORRIGAN, ARGALL, BLAUM, FOX, BORTNER, HESS, GRUPPO, BELARDI, DISTLER, FEE, HARPER, HUGHES, LINTON, TELEK, GRUITZA, FREEMAN, KUKOVICH, VROON, BILLOW, BLACK, COLAFELLA, CESSAR, PETRARCA, OLASZ, PETRONE, PISTELLA, PRESSMANN, LLOYD, MELIO, DIETTERICK, McNALLY, RITTER, F. TAYLOR, TRICH, YANDRISEVITS, FARGO, CAWLEY, COWELL, COY, KAISER, DeLUCA, COHEN, CALTAGIRONE, MERRY, CAPPABIANCA, JADLOWIEC, GIGLIOTTI, JOHNSON, LAUGHLIN, LESCOVITZ, LEE, McCALL, LUCYK, MAINE, MARKOSEK, McHALE, SALOOM, SCRIMENTI, STABACK, STEIGHNER, TIGUE, TRELLO, VAN HORNE, VEON, WAMBACH, WOZNIAK, D. R. WRIGHT, ROBBINS, LaGROTTA, LASHINGER, HAYDEN, MORRIS, PESCI AND MAYERNIK, NOVEMBER 28, 1989

REFERRED TO COMMITTEE ON APPROPRIATIONS, NOVEMBER 28, 1989

AN ACT

1 Appropriating money from the Sunny Day Fund to the Department of
2 Commerce for an economic development project in Clinton
3 County.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. The sum set forth in this act, or as much thereof
7 as may be necessary, is hereby specifically appropriated from
8 the Sunny Day Fund to the Department of Commerce for the fiscal
9 year July 1, 1989, to June 30, 1990, for the project listed to
10 enhance economic development and the creation of jobs in this

1 Commonwealth in accordance with Chapter 1 of the act of July 1,
2 1985 (P.L.120, No.32), known as the Sunny Day Fund Act.

3 Section 2. The following amount is appropriated to the
4 Department of Commerce to induce the company named below to
5 locate a large industrial, manufacturing or research and
6 development enterprise within this Commonwealth:

7 For the purpose of making or guaranteeing
8 principal and interest under a loan for
9 machinery and equipment and for working capital
10 to Romeo Charlie Inc., to locate its Piper
11 North aircraft and aircraft parts manufacturing
12 and service business in Lock Haven, Clinton
13 County. It is estimated that this project will
14 create 400 new jobs within three years of
15 operation and 670 new jobs within five years of
16 operation. \$10,000,000

17 Section 3. It is the intent of the General Assembly that the
18 appropriations in section 2 shall be loaned at an annual
19 interest rate of not less than 3% for the first \$8,000,000 and
20 the current prime interest rate + 3% for the remaining
21 \$2,000,000 and for a term as follows: loan payments shall be
22 calculated based on a 15 year term with: interest only payments
23 for the first two years; interest and principal payments for the
24 next five years, and a balloon payment at the end of the seventh
25 year consisting of the outstanding balance of principal and
26 interest due on funds not used for the acquisition of machinery
27 and equipment. Proceeds of the aforementioned loan used for the
28 acquisition of machinery and equipment may continue to be
29 amortized over the remainder of the 15 year term. Private
30 companies which receive Sunny Day Fund assistance but fail to

1 make the investment in the enterprise development as specified
2 in section 2 shall be liable for the repayment of all Sunny Day
3 Fund moneys, including any accrued interest thereon and any
4 penalties set by the Secretary of Commerce. Private companies
5 which receive Sunny Day Fund assistance but fail to create the
6 number of jobs specified in the approved loan or other
7 agreements with the Commonwealth shall be liable for a penalty
8 equal to an increase in the interest charged to 2% greater than
9 the current prime interest rate for the remainder of the loan,
10 unless the penalty is waived by the Secretary of Commerce
11 because the failure is due to circumstances outside the control
12 of the private company. The Secretary of Commerce shall consult
13 with the chairmen of the Appropriations Committees of the Senate
14 and the House of Representatives prior to the establishment of
15 waiver of penalties.

16 Section 4. For a period equal to the term of assistance
17 provided the project approved under this act, the Department of
18 Commerce shall provide a written report on the status of each
19 project to the Secretary of the Senate and the Chief Clerk of
20 the House of Representatives by June 30 of each year. This
21 report shall contain, at a minimum, information pertaining to
22 the specific use of the Sunny Day Fund money, the interest rate
23 and term of the Sunny Day Fund loan, the amount of principal
24 outstanding and interest due on the loan, and the number of jobs
25 created by the project. All recipients of funds under this act
26 shall be required to provide any and all information required by
27 the Department of Commerce for the purpose of this act.

28 Section 5. No funds under this act shall be awarded by the
29 Department of Commerce after June 30, 1990. Any funds from this
30 appropriation remaining unexpended or unencumbered on June 30,

1 1991, shall automatically lapse into the Sunny Day Fund.

2 Section 6. This act shall take effect immediately.