
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, MAYERNIK, MICHLOVIC, COLAIZZO AND KASUNIC, NOVEMBER 28, 1989

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, DECEMBER 11, 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

1 enhance economic development and the creation of jobs in this
2 Commonwealth in accordance with Chapter 1 of the act of July 1,
3 1985 (P.L.120, No.32), known as the Sunny Day Fund Act.

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

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

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

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

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

29 Section 5. No funds under this act shall be awarded by the
30 Department of Commerce after June 30, 1990. Any funds from this

1 appropriation remaining unexpended or unencumbered on June 30,
2 1991, shall automatically lapse into the Sunny Day Fund.
3 Section 6. This act shall take effect immediately.