
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 876 Session of
2001

INTRODUCED BY DENT, PUNT, COSTA, CORMAN, ERICKSON, THOMPSON,
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MAY 17, 2001

REFERRED TO COMMUNITY AND ECONOMIC DEVELOPMENT, MAY 17, 2001

AN ACT

1 Creating the Ben Franklin Technology Development Authority;
2 defining its powers and duties; establishing a fund; and
3 making a repeal.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as The Ben Franklin
8 Technology Development Authority Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Authority." The Ben Franklin Technology Development
14 Authority.

15 "Ben Franklin Technology Partner" or "partner." A nonprofit
16 corporation certified in accordance with this act.

17 "Board." The Board of Directors of the Ben Franklin
18 Technology Development Authority.

1 "Department." The Department of Community and Economic
2 Development of the Commonwealth.

3 "Private sector funds." Monetary or in-kind support from
4 private businesses, corporations, individuals, trade
5 associations, foundations, federally and locally supported grant
6 programs and other non-Commonwealth sources. The term includes
7 machinery and equipment and other forms of tangible assets
8 approved by the Ben Franklin Technology Development Authority.

9 "Secretary." The Secretary of Community and Economic
10 Development of the Commonwealth.

11 Section 3. Ben Franklin Technology Development Authority.

12 (a) Creation.--There is hereby created a public authority
13 and instrumentality of the Commonwealth known as the Ben
14 Franklin Technology Development Authority. The authority shall
15 be a body corporate and politic and exercise the powers of the
16 Commonwealth as an agency of the Commonwealth.

17 (b) Management.--The powers of the authority shall be
18 exercised by the board.

19 (c) Staffing.--The department shall provide staff services
20 to the authority. The department may, with the approval of the
21 Governor, contract with consultants or other entities to augment
22 these services as needed. No more than 3% of funds annually
23 appropriated to the authority shall be used to pay
24 administrative costs, expenses and fees associated with the
25 operations of the authority.

26 (d) Powers.--The authority, through action of the board,
27 shall have all of the following powers:

28 (1) To adopt bylaws, guidelines and regulations as it
29 deems necessary.

30 (2) To contract and to execute instruments necessary or

1 convenient for the carrying on of its business.

2 (3) To appoint committees and subcommittees as are
3 needed.

4 (4) To sue and be sued, complain and defend in court.

5 (5) To accept funds from all available sources.

6 (e) Duties.--The authority shall encourage and coordinate
7 programs and investments which advance the competitiveness of
8 Commonwealth companies in the global economy. The authority
9 shall:

10 (1) Develop policies and implement programs which
11 promote an entrepreneurial business environment, advances
12 technologies and a technology-ready work force.

13 (2) Select and certify four regional nonprofit
14 corporations as partners.

15 (3) Coordinate funding for the programs, initiatives and
16 actions of the authority and the partners.

17 (4) Award grants and other forms of financial incentives
18 to companies, economic development agencies, educational
19 institutions, government agencies or other entities for
20 research activities related to economic development at
21 academic and research institutions and community-based and
22 economic development technology initiatives.

23 (5) Establish a revolving loan fund for the purpose of
24 making financing available to technology companies.

25 (6) Invest in companies, economic development agencies,
26 educational institutions, government agencies or other
27 entities as necessary to carry out the authority's
28 activities.

29 (7) Assist efforts to identify and pursue funding
30 opportunities from the Federal Government and other sources.

1 (8) Establish and require audits, disclosures and other
2 review procedures for all activities funded by the authority.

3 Section 4. Board.

4 (a) Members.--The authority shall be governed by a board
5 consisting of 21 members. The following individuals shall be
6 members of the board:

7 (1) The Governor.

8 (2) The Secretary of Community and Economic Development.

9 (3) The Secretary of Education.

10 (4) The Secretary of Administration.

11 (5) Seven representatives from the technology business
12 sector to be appointed by the Governor, four of whom shall be
13 selected from the current members of the regional partners'
14 boards of directors, and at least one from the private
15 capital community.

16 (6) One representative from the Pennsylvania Economic
17 Development Association to be appointed by the Governor.

18 (7) One representative from the local government sector
19 to be appointed by the Governor.

20 (8) One representative from the community development
21 sector to be appointed by the Governor.

22 (9) Three representatives from the education sector to
23 be appointed by the Governor.

24 (10) Four members of the General Assembly appointed as
25 follows:

26 (i) One member appointed by the President pro
27 tempore of the Senate.

28 (ii) One member appointed by the Minority Leader of
29 the Senate.

30 (iii) One member appointed by the Speaker of the

1 House of Representatives.

2 (iv) One member appointed by the Minority Leader of
3 the House of Representatives.

4 (b) Terms.--

5 (1) The Governor, the secretary, the Secretary of
6 Education and the Secretary of Administration shall serve for
7 as long as they hold their respective positions.

8 (2) Those remaining members of the authority initially
9 appointed by the Governor shall serve for the following term
10 of years:

11 (i) Four representatives from the private sector and
12 two representatives from the education sector shall serve
13 terms of four years.

14 (ii) Three representatives from the private sector,
15 one representative from the education sector, the
16 representative from the Pennsylvania Economic Development
17 Association, the representative from the local government
18 sector and the representative from the community
19 development sector shall serve for terms of two years.

20 (3) All of the respective successors appointed under
21 subsection (a)(5), (6), (7), (8) and (9) shall serve for
22 terms of four years or until their respective successors
23 shall be duly appointed by the Governor. Any members
24 appointed to fill a vacancy created otherwise than by
25 expiration of term shall be appointed for the unexpired term
26 of the member whom he or she is to succeed.

27 (4) The members of the General Assembly shall serve
28 terms of two years, such terms to run concurrently with the
29 term of the legislative session.

30 (c) Designees.--A public officer of the board may designate

1 an officer or employee of the Commonwealth to represent him or
2 her at meetings of the board. A designee may lawfully vote and
3 otherwise act on behalf of the member of the board. The
4 designation shall be in writing, delivered to the authority and
5 continue in effect until revoked or amended in writing.

6 (d) Compensation.--The members of the board shall receive no
7 compensation for their services but shall be reimbursed for
8 their expenses actually incurred in the performance of their
9 official duties under this act.

10 (e) Organization.--The secretary shall be the chairman and
11 chief executive officer of the board. The chairman may designate
12 an officer or employee of the department to chair board meetings
13 in his absence. The board shall elect a secretary and treasurer
14 from its members at the first meeting of each calendar year.

15 (f) Quorum.--A majority of the members of the board shall
16 constitute a quorum of the board for the purpose of organizing
17 the authority and conducting the business. Only members or their
18 designees who are physically present at a meeting or able to
19 participate fully in the deliberations by appropriate
20 telecommunications means shall count toward a quorum of the
21 board. Action shall be taken by a vote of a majority of the
22 members present and voting unless otherwise specified in this
23 act.

24 (g) Committees.--The board may appoint committees to advise
25 and assist its work. A committee may not certify a partner or
26 award a grant. Committees of the board shall be appointed by the
27 chairman and may consist of board members and nonmembers.

28 Section 5. Ben Franklin Technology Partners.

29 The Ben Franklin Technology Partners shall be independent
30 nonprofit institutions, working individually and in partnership

1 with each other, to advance the development of new technologies
2 in this Commonwealth. The partners will be overseen by regional
3 boards of directors comprised of economic development,
4 university or nonprofit research institutions and private
5 industry representatives, with at least 50% representation from
6 private industry. The activities of the partners may include,
7 but not be limited to, the following:

8 (1) Serve as the Commonwealth's key regional partners in
9 identifying, developing, adapting and implementing advanced
10 technologies to enable the growth and competitiveness of
11 existing and emerging companies through technology
12 development, commercialization and implementation.

13 (2) Act as regional facilitators and managers for
14 interactions, programs and initiatives by and among the
15 authority, technology enterprises, economic development
16 organizations, corporate community, academic/research
17 institutions, government, organized labor and other interests
18 working collaboratively to advance the development of a
19 technology-based economy across this Commonwealth.

20 (3) Directly provide, and serve as the conduit to, seed
21 and later stage capital for existing and emerging companies
22 involved in the development and commercialization of
23 technologically advanced products and processes.

24 (4) Develop, provide or support business incubation
25 resources and space and facilitate the development of
26 technology business campuses.

27 (5) Establish and administer a research grant fund for
28 the economic impact assessments of university-based
29 technology development projects seeking funding through the
30 authority.

1 (6) Establish partnerships to support and enhance the
2 scale, scope and impact of initiatives that support the
3 purpose and mission of the authority and the partners.

4 Section 6. Certification.

5 A nonprofit corporation may submit an application for
6 certification as a partner to the authority. After a review of
7 the applications, the authority shall select and certify four
8 regional nonprofit corporations as partners. The authority shall
9 select one partner from each of the four regions of this
10 Commonwealth meeting its criteria and the requirements of
11 section 5. The authority shall modify or revoke a partner's
12 certification consistent with the regulations, policies and
13 guidelines of the authority. The authority may change the number
14 of regions or change the minimum service boundary within a given
15 region with a two-thirds majority vote of the board. A partner
16 in existence and in receipt of funds from the department as of
17 the effective date of this act is hereby deemed certified as a
18 partner.

19 Section 7. Grants to partners.

20 (a) Awards.--A partner may apply for a grant by submitting
21 an application to the authority. After review and approval of
22 the application, the authority shall sign a grant agreement with
23 the partner and award a grant. The grant agreement shall permit
24 the partner to award grants and other forms of financial
25 assistance to entities only if matched by private sector funds
26 on a minimum basis to be established by the authority.

27 (b) Implementation.--Upon receipt of a grant pursuant to
28 this section, a partner shall implement the terms of the grant.
29 Failure to comply with the terms of the grant agreement shall
30 result in forfeiture of the grant.

1 Section 8. Reporting.

2 A partner shall annually submit the following information to
3 the authority:

4 (1) The partner's current mailing address and telephone
5 number.

6 (2) A copy of the partner's current articles of
7 incorporation and bylaws.

8 (3) A list of the partner's current officers and
9 directors.

10 (4) An independent audit covering all funds received
11 from the Commonwealth.

12 (5) Upon request, an independent audit covering all
13 funds received and partner activities supported by non-
14 Commonwealth sources.

15 (6) Such other information as the authority may require.

16 Section 9. Records.

17 Upon request, a partner shall permit authorized employees or
18 agents of the authority to inspect its books and records during
19 regular business hours.

20 Section 10. Fund established.

21 There is hereby established in the State Treasury a special
22 fund to be known as the Ben Franklin Technology Development
23 Authority Fund into which shall be deposited any State
24 appropriations to the authority, to the partners, to technology
25 and research activities assigned to the authority, any other
26 State appropriations for a purpose related to this act, Federal
27 funds, royalties, gifts, grants, bequests, devises, private
28 funds and funds from any other source which are designated to
29 the authority. Funds appropriated by the General Assembly,
30 including Federal funds, which are earmarked for a specific

1 program or purpose, including the Ben Franklin Technology
2 Partners and university research efforts, shall be allocated
3 directly to that program or purpose. Moneys in the fund are
4 hereby appropriated to the authority, upon approval of the
5 Governor, to carry out the purposes of this act.

6 Section 11. Transfers.

7 All allocations, appropriations, equipment, files, records,
8 contracts, agreements, obligations and other materials of the
9 board of the Ben Franklin/IRC Partnership Fund under the act of
10 July 2, 1993 (P.L.439, No.64), known as the Ben Franklin/IRC
11 Partnership Act, as they pertain to the Ben Franklin Technology
12 Centers are hereby transferred to the authority with the same
13 force and effect as if the allocation and appropriations have
14 been made to and the items had been the property of the
15 authority in the first instance and as if the contracts,
16 agreements and obligations had been incurred or entered into by
17 the authority. The Pennsylvania Technology Investment Authority
18 revolving loan account in the department is hereby transferred
19 to the Ben Franklin Technology Development Authority Fund and
20 may be established as a revolving loan fund by the authority.

21 Section 12. Regulations.

22 The authority shall develop policies and guidelines and
23 promulgate regulations as necessary to carry out the provisions
24 of this act.

25 Section 13. Repeal.

26 As much of the act of July 2, 1993 (P.L.439, No.64), known as
27 the Ben Franklin/IRC Partnership Act, as refers to the Ben
28 Franklin technology centers is repealed.

29 Section 14. Effective date.

30 This act shall take effect July 1, 2001, or immediately,

1 whichever is later.