
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 876 Session of
2001

INTRODUCED BY DENT, PUNT, COSTA, CORMAN, ERICKSON, THOMPSON,
BOSCOLA, WAUGH, GERLACH, KUKOVICH, TOMLINSON, ORIE, LOGAN AND
WENGER, MAY 17, 2001

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 21, 2001

AN ACT

1 Creating the Ben Franklin Technology Development Authority;
2 defining its powers and duties; establishing the Ben Franklin
3 Technology Development Authority Fund; and 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

1 Technology Development Authority.

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

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

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

12 Section 3. Ben Franklin Technology Development Authority.

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

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

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

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

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

1 (2) To contract and to execute instruments necessary or
2 convenient for the carrying on of its business.

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

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

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

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

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

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

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

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

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

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

30 (7) Assist efforts to identify and pursue funding

1 opportunities from the Federal Government and other sources.

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

4 (f) Debt restriction.--Notwithstanding any other provisions
5 of this act to the contrary, the authority may not issue any
6 bonds, notes or any other obligation evidencing a debt or
7 liability of the authority, the Commonwealth or any of its
8 political subdivisions.

9 Section 4. Board.

10 (a) Members.--The authority shall be governed by a board
11 consisting of 21 members. The following individuals shall be
12 members of the board:

13 (1) The Governor.

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

15 (3) The Secretary of Education.

16 (4) The Secretary of Administration.

17 (5) ~~Seven~~ SIX representatives from the technology ←
18 business sector to be appointed by the Governor, four of whom
19 shall be selected from the current members of the regional
20 partners' boards of directors, and at least one from the
21 private capital community.

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

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

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

28 (9) ONE REPRESENTATIVE FROM ORGANIZED LABOR TO BE ←
29 APPOINTED BY THE GOVERNOR.

30 ~~(9)~~ (10) Three representatives from the education sector ←

1 to be appointed by the Governor.

2 ~~(10)~~ (11) Four members of the General Assembly appointed ←
3 as follows:

4 (i) One member appointed by the President pro
5 tempore of the Senate.

6 (ii) One member appointed by the Minority Leader of
7 the Senate.

8 (iii) One member appointed by the Speaker of the
9 House of Representatives.

10 (iv) One member appointed by the Minority Leader of
11 the House of Representatives.

12 (b) Terms.--

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

16 (2) Those remaining members of the authority initially
17 appointed by the Governor shall serve for the following term
18 of years:

19 (i) Four representatives from the private sector and
20 two representatives from the education sector shall serve
21 terms of four years.

22 (ii) Three representatives from the private sector,
23 one representative from the education sector, the
24 representative from the Pennsylvania Economic Development
25 Association, the representative from the local government
26 sector and the representative from the community
27 development sector shall serve for terms of two years.

28 (3) All of the respective successors appointed under
29 subsection (a)(5), (6), (7), (8) and ~~(9)~~, (9) AND (10) shall ←
30 serve for terms of four years or until their respective

1 successors shall be duly appointed by the Governor. Any
2 members appointed to fill a vacancy created otherwise than by
3 expiration of term shall be appointed for the unexpired term
4 of the member whom he or she is to succeed.

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

8 (c) Designees.--A public officer of the board may designate
9 an officer or employee of the Commonwealth to represent him or
10 her at meetings of the board. A designee may lawfully vote and
11 otherwise act on behalf of the member of the board. The
12 designation shall be in writing, delivered to the authority and
13 continue in effect until revoked or amended in writing.

14 (d) Compensation.--The members of the board shall receive no
15 compensation for their services but shall be reimbursed for
16 their expenses actually incurred in the performance of their
17 official duties under this act.

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

23 (f) Quorum.--A majority of the members of the board shall
24 constitute a quorum of the board for the purpose of organizing
25 the authority and conducting the business. Only members or their
26 designees who are physically present at a meeting or able to
27 participate fully in the deliberations by appropriate
28 telecommunications means shall count toward a quorum of the
29 board. Action shall be taken by a vote of a majority of the
30 members present and voting unless otherwise specified in this

1 act.

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

6 Section 5. Ben Franklin Technology Partners.

7 The Ben Franklin Technology Partners shall be independent
8 nonprofit institutions, working individually and in partnership
9 with each other, to advance the development of new technologies
10 in this Commonwealth. The partners will be overseen by regional
11 boards of directors comprised of economic development,
12 university or nonprofit research institutions and private
13 industry representatives, with at least 50% representation from
14 private industry. The activities of the partners may include,
15 but not be limited to, the following:

16 (1) Serve as the Commonwealth's key regional partners in
17 identifying, developing, adapting and implementing advanced
18 technologies to enable the growth and competitiveness of
19 existing and emerging companies through technology
20 development, commercialization and implementation.

21 (2) Act as regional facilitators and managers for
22 interactions, programs and initiatives by and among the
23 authority, technology enterprises, economic development
24 organizations, corporate community, academic/research
25 institutions, government, organized labor and other interests
26 working collaboratively to advance the development of a
27 technology-based economy across this Commonwealth.

28 (3) Directly provide, and serve as the conduit to, seed
29 and later stage capital for existing and emerging companies
30 involved in the development and commercialization of

1 technologically advanced products and processes.

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

5 (5) Establish and administer a research grant fund for
6 the economic impact assessments of university-based
7 technology development projects seeking funding through the
8 authority.

9 (6) Establish partnerships to support and enhance the
10 scale, scope and impact of initiatives that support the
11 purpose and mission of the authority and the partners.

12 Section 6. Certification.

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

27 (b) Partners certified by secretary.--The secretary may
28 certify nonprofit corporations as partners and may establish
29 their geographical boundaries. Such partners and geographical
30 boundaries shall be in addition to those certified or

1 established by the authority under subsection (a).

2 Section 7. Grants to partners.

3 (a) Awards.--A partner may apply for a grant by submitting
4 an application to the authority. After review and approval of
5 the application, the authority shall sign a grant agreement with
6 the partner and award a grant. The grant agreement shall permit
7 the partner to award grants and other forms of financial
8 assistance to entities only if matched by private sector funds
9 on a minimum basis to be established by the authority.

10 (b) Implementation.--Upon receipt of a grant pursuant to
11 this section, a partner shall implement the terms of the grant.
12 Failure to comply with the terms of the grant agreement shall
13 result in forfeiture of the grant.

14 Section 8. Reporting.

15 A partner shall annually submit the following information to
16 the authority:

17 (1) The partner's current mailing address and telephone
18 number.

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

21 (3) A list of the partner's current officers and
22 directors.

23 (4) An independent audit covering all funds received
24 from the Commonwealth, AND FUNDS RECEIVED FROM COMMONWEALTH <—
25 SUPPORT, SUCH AS PAYBACKS, REIMBURSEMENTS, INVESTMENT
26 RETURNS, FEES FOR SERVICES, CASH RESERVES, INTEREST, RETURN
27 OF DEPRECIATION AND ANY OTHER SIMILAR FORMS OF INCOME WHICH
28 RESULT AT LEAST PARTIALLY FROM INITIAL EXPENDITURE OF
29 COMMONWEALTH FUNDS. THE AUDIT SHALL INCLUDE ALL OF THE
30 COMMUNICATIONS BETWEEN THE AUDITORS AND THE MANAGERS OF THE

1 PARTNER. THE AUDIT SHALL BE CONDUCTED IN ACCORDANCE WITH
2 APPROPRIATE GOVERNMENT AUDITING STANDARDS AND SHALL BE A
3 PUBLIC RECORD. THE PARTNER SHALL PROVIDE COPIES OF ALL AUDITS
4 TO THE DEPARTMENT.

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

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

9 Section 9. Records.

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

13 Section 10. Ben Franklin Technology Development Authority Fund.

14 (a) Establishment.--There is hereby established in the State
15 Treasury a special fund to be known as the Ben Franklin
16 Technology Development Authority Fund into which shall be
17 deposited any State appropriations to the authority, to the
18 partners, to technology and research activities assigned to the
19 authority, any other State appropriations for a purpose related
20 to this act, Federal funds, royalties, gifts, grants, bequests,
21 devises, private funds and funds from any other source which are
22 designated to the authority. Funds appropriated by the General
23 Assembly, including Federal funds, which are earmarked for a
24 specific program or purpose, including the Ben Franklin
25 Technology Partners and university research efforts, shall be
26 allocated directly to that program or purpose.

27 (b) Appropriation of moneys.--Moneys in the fund, including
28 Federal funds, shall be annually appropriated by the General
29 Assembly for the purposes set forth in this act.

30 Section 11. Transfers.

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

15 SECTION 12. REPORTS TO GENERAL ASSEMBLY. <—

16 (A) DUTY.--THE AUTHORITY SHALL SUBMIT A REPORT SPECIFYING
17 THE ACTIVITIES OF THE AUTHORITY AND EACH PARTNER AND DETAILING
18 THE FOLLOWING:

19 (1) THE BUDGET OF THE AUTHORITY AND OF EACH PARTNER.

20 (2) INDIVIDUAL PROJECTS AND ACTIVITIES OF THE AUTHORITY
21 AND OF EACH PARTNER.

22 (3) THE PROGRESS OF THE AUTHORITY AND OF EACH PARTNER IN
23 ACHIEVING THE GOALS AND IMPLEMENTING THE POLICIES AS
24 SPECIFIED IN SECTIONS 3 AND 5.

25 (B) TRANSMITTAL.--THE AUTHORITY SHALL SUBMIT THIS REPORT TO
26 THE FOLLOWING:

27 (1) THE CHAIRMAN OF THE COMMUNITY AND ECONOMIC
28 DEVELOPMENT COMMITTEE OF THE SENATE.

29 (2) THE MINORITY CHAIRMAN OF THE COMMUNITY AND ECONOMIC
30 DEVELOPMENT COMMITTEE OF THE SENATE.

1 (3) THE CHAIRMAN OF THE COMMERCE AND ECONOMIC
2 DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

3 (4) THE MINORITY CHAIRMAN OF THE COMMERCE AND ECONOMIC
4 DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

5 (C) TIMELY SUBMISSION OF REPORT.--THE FIRST REPORT SHALL BE
6 SUBMITTED ON OR BEFORE MARCH 1, 2002. THEREAFTER, REPORTS SHALL
7 BE SUBMITTED BY MARCH 1 OF EACH YEAR.

8 (D) COOPERATION OF PARTNERS.--A PARTNER SHALL SUBMIT
9 INFORMATION TO THE AUTHORITY, AT A TIME AND IN A MANNER
10 SPECIFIED BY THE AUTHORITY, WHICH ENABLES THE AUTHORITY TO
11 COMPLY WITH THE REQUIREMENTS OF THIS SECTION.

12 Section ~~12~~ 13. Regulations. ←

13 The authority shall develop policies and guidelines and
14 promulgate regulations as necessary to carry out the provisions
15 of this act.

16 Section ~~13~~ 14. Repeal. ←

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

20 Section ~~14~~ 15. Effective date. ←

21 This act shall take effect July 1, 2001, or immediately,
22 whichever is later.