

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1026 Session of 2004

INTRODUCED BY LAVALLE, GORDNER, C. WILLIAMS, MELLOW, O'PAKE, WAGNER, MUSTO, KASUNIC, STOUT, FUMO, BOSCOLA, COSTA, FERLO, HUGHES, KITCHEN, KUKOVICH, LOGAN, SCHWARTZ, STACK, TARTAGLIONE, A. WILLIAMS, WOZNIAK, ROBBINS, PIPPY AND ERICKSON, FEBRUARY 10, 2004

SENATOR THOMPSON, APPROPRIATIONS, RE-REPORTED AS AMENDED, MARCH 23, 2004

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes,
3 providing for economic development financing and; FURTHER <—
4 PROVIDING FOR THE HEADING FOR PART II; FURTHER PROVIDING for
5 money appropriated to the Department of Community and
6 Economic Development for the Base Retention and Conversion
7 Pennsylvania Action Committee; and making a repeal related to
8 money appropriated to the Department of Community and
9 Economic Development for the Base Retention and Conversion
10 Pennsylvania Action Committee.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 ~~Section 1. Title 64 of the Pennsylvania Consolidated <—~~
14 ~~Statutes is amended by adding a part to read:~~

15 ~~PART II~~

16 ~~ECONOMIC DEVELOPMENT FINANCING~~

17 Chapter

18 ~~11. Pennsylvania Industrial Development Authority~~

19 ~~(Reserved)~~

1 ~~13. Pennsylvania Economic Development Financing Authority~~
2 ~~(Reserved)~~

3 ~~15. Pennsylvania Economic Development Authority~~

4 ~~CHAPTER 11~~

5 ~~PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY~~

6 ~~(RESERVED)~~

7 ~~CHAPTER 13~~

8 ~~PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY~~

9 ~~(RESERVED)~~

10 ~~CHAPTER 15~~

11 ~~PENNSYLVANIA ECONOMIC DEVELOPMENT AUTHORITY~~

12 ~~Subchapter~~

13 ~~A. General Provisions~~

14 ~~B. Structure and Powers~~

15 ~~C. Bonds~~

16 ~~D. Authority Loans~~

17 ~~E. Programs~~

18 ~~SUBCHAPTER A~~

19 ~~GENERAL PROVISIONS~~

20 ~~Sec.~~

21 ~~1501. Scope.~~

22 ~~1502. Construction.~~

23 ~~1503. Findings and declaration of policy.~~

24 ~~1504. Definitions.~~

25 ~~§ 1501. Scope.~~

26 ~~This chapter relates to the Pennsylvania Economic Development~~
27 ~~Authority.~~

28 ~~§ 1502. Construction.~~

29 ~~This chapter shall be liberally construed in order to effect~~
30 ~~the legislative and public purposes of section 1503 (relating to~~

1 ~~findings and declaration of policy).~~

2 ~~§ 1503. Findings and declaration of policy.~~

3 ~~The General Assembly finds and declares as follows:~~

4 ~~(1) Economic insecurity due to unemployment is at any~~
5 ~~time harmful to the health, safety, morals and general~~
6 ~~welfare of the people of this Commonwealth. A minimum level~~
7 ~~of unemployment and a maximum level of business opportunity~~
8 ~~and the elimination or prevention of blight can best be~~
9 ~~provided by the promotion, attraction, stimulation,~~
10 ~~rehabilitation and revitalization of industrial, commercial,~~
11 ~~tourism related, production agriculture and other economic~~
12 ~~activities in this Commonwealth. The promotion of these~~
13 ~~activities will also enhance their competitiveness in the~~
14 ~~global economy.~~

15 ~~(2) Many existing industrial, commercial and other~~
16 ~~economic activities throughout this Commonwealth could become~~
17 ~~more competitive and could expand more rapidly if additional~~
18 ~~means of financing were available for modern buildings, plant~~
19 ~~facilities, modern machinery and equipment and other capital~~
20 ~~needs. Additional activities could be attracted to this~~
21 ~~Commonwealth if additional means of financing were available~~
22 ~~to acquire, construct, rehabilitate and expand facilities.~~
23 ~~Financing for cost savings activities related to buildings,~~
24 ~~plants, machinery and equipment and other facilities would~~
25 ~~further the purposes of this paragraph.~~

26 ~~(3) It is the policy of the Commonwealth to promote the~~
27 ~~health, safety, employment, business opportunities, economic~~
28 ~~activity and general welfare of the people by establishing an~~
29 ~~authority to assist in financing economic development.~~

30 ~~§ 1504. Definitions.~~

1 ~~The following words and phrases when used in this chapter~~
2 ~~shall have the meaning given to them in this section unless the~~
3 ~~context clearly indicates otherwise:~~

4 ~~"Authority."—The Pennsylvania Economic Development Authority~~
5 ~~established in section 1511 (relating to authority).~~

6 ~~"Board."—The board of the authority continued by section~~
7 ~~1512 (relating to board).~~

8 ~~"Department."—The Department of Community and Economic~~
9 ~~Development of the Commonwealth.~~

10 ~~"Project."—Any industrial facility, commercial facility,~~
11 ~~pollution control facility, energy conversion facility, energy-~~
12 ~~producing facility, disaster relief project facility, public~~
13 ~~facility and other facility or activity which promotes any of~~
14 ~~the public purposes set forth in section 1503 (relating to~~
15 ~~findings and declaration of policy). A project may consist~~
16 ~~solely of the financing of operating expenses. The term~~
17 ~~includes:~~

18 ~~(1) Land, interests in land, easements, appurtenances,~~
19 ~~improvements, buildings, structures, equipment and~~
20 ~~furnishings.~~

21 ~~(2) Other real or personal property, tangible or~~
22 ~~intangible or interest in real or personal property, alone or~~
23 ~~in combination.~~

24 ~~(3) Working capital and other capital needs for~~
25 ~~industrial, commercial and other economic or cost savings~~
26 ~~activities.~~

27 ~~SUBCHAPTER B~~

28 ~~STRUCTURE AND POWERS~~

29 ~~Sec.~~

30 ~~1511.—Authority.~~

1 ~~1512.— Board.~~

2 ~~1513.— Powers.~~

3 ~~§ 1511.— Authority.~~

4 ~~(a) Establishment.— The Pennsylvania Economic Development~~
5 ~~Authority is established. The authority shall be an~~
6 ~~instrumentality of the Commonwealth and a body corporate and~~
7 ~~politic, with corporate succession.~~

8 ~~(b) Governance.— The authority shall be governed and the~~
9 ~~powers of the authority shall be exercised by the board.~~

10 ~~(c) Revenue.— Expenses of the authority shall be paid from~~
11 ~~assets or income of the authority. Except as provided in this~~
12 ~~chapter or by other law, the Commonwealth shall not be~~
13 ~~responsible for funding the expenses of the authority.~~

14 ~~(d) Fiscal year.— The fiscal year of the authority shall be~~
15 ~~the same as the fiscal year of the Commonwealth.~~

16 ~~(e) Funds of authority.— The authority may create funds and~~
17 ~~accounts necessary or desirable for its corporate purposes. No~~
18 ~~other provision of this chapter shall be construed to prohibit~~
19 ~~the authority from creating within any fund one or more accounts~~
20 ~~which may be used or pledged by the authority for a special~~
21 ~~purpose.~~

22 ~~(f) Audit.— The accounts and books of the authority shall be~~
23 ~~examined and audited annually by a recognized independent~~
24 ~~certified public accounting firm.~~

25 ~~(g) General Assembly review.—~~

26 ~~(1) The Appropriations Committee of the Senate and the~~
27 ~~Appropriations Committee of the House of Representatives have~~
28 ~~the right to examine the books, accounts and records of the~~
29 ~~authority.~~

30 ~~(2) The authority shall annually file a copy of the~~

1 ~~audit required by subsection (f) with the Appropriations~~
2 ~~Committee of the Senate and the Appropriations Committee of~~
3 ~~the House of Representatives.~~

4 ~~(h) Publication. The authority shall annually publish a~~
5 ~~concise financial statement in the Pennsylvania Bulletin.~~

6 ~~(i) Cooperation. Executive agencies shall cooperate with~~
7 ~~and provide assistance to the authority without financial~~
8 ~~reimbursement.~~

9 ~~(j) Dissolution. The authority may be dissolved by law if~~
10 ~~all outstanding liabilities of the authority, including bonds~~
11 ~~and other contractual obligations, have been fully paid,~~
12 ~~retired, satisfied or discharged, or provision has been made for~~
13 ~~payment of all outstanding liabilities of the authority,~~
14 ~~including bonds and other contractual obligations. Upon the~~
15 ~~dissolution of the authority, all funds, assets and other~~
16 ~~property of the authority shall vest in the Commonwealth.~~

17 ~~(k) Applicability. The following acts shall apply to the~~
18 ~~board:~~

19 ~~(1) The act of June 21, 1957 (P.L.390, No.212), referred~~
20 ~~to as the Right to Know Law.~~

21 ~~(2) The act of July 19, 1957 (P.L.1017, No.451), known~~
22 ~~as the State Adverse Interest Act.~~

23 ~~(3) The provisions of 65 Pa.C.S. Chs. 7 (relating to~~
24 ~~open meetings) and 11 (relating to ethics standards and~~
25 ~~financial disclosure).~~

26 ~~§ 1512. Board.~~

27 ~~(a) Composition. The board of the authority shall be~~
28 ~~composed of the following members:~~

29 ~~(1) The Secretary of Community and Economic Development.~~

30 ~~(2) The Secretary of the Budget.~~

1 ~~(3) The Secretary of Banking.~~

2 ~~(4) Four legislative appointees.~~

3 ~~(i) Appointments are as follows:~~

4 ~~(A) One individual appointed by the President~~
5 ~~pro tempore of the Senate.~~

6 ~~(B) One individual appointed by the Minority~~
7 ~~Leader of the Senate.~~

8 ~~(C) One individual appointed by the Speaker of~~
9 ~~the House of Representatives.~~

10 ~~(D) One individual appointed by the Minority~~
11 ~~Leader of the House of Representatives.~~

12 ~~(ii) Legislative appointees shall serve at the~~
13 ~~pleasure of the appointing authority.~~

14 ~~(b) Organization. The Governor shall select a member of the~~
15 ~~board to serve as chairperson. The members shall select from~~
16 ~~among themselves such officers as they shall determine.~~

17 ~~(c) Meetings. The board shall meet at the call of the~~
18 ~~chairperson but shall meet at least once each month.~~

19 ~~(d) Quorum. Six members of the board shall constitute a~~
20 ~~quorum. The consent of at least six members of the board shall~~
21 ~~be necessary to take any action on behalf of the authority.~~

22 ~~(e) Compensation. The members of the board shall be~~
23 ~~entitled to no compensation for their services as members but~~
24 ~~shall be entitled to reimbursement for all necessary expenses~~
25 ~~incurred in connection with the performance of their duties as~~
26 ~~members.~~

27 ~~(f) Liability. Members of the board shall not be liable~~
28 ~~personally on any obligations of the authority, including bonds~~
29 ~~of the authority.~~

30 ~~§ 1513. Powers.~~

1 ~~(a) Powers. The authority, as a public corporation and~~
2 ~~governmental instrumentality exercising public powers of the~~
3 ~~Commonwealth, has the following powers:~~

4 ~~(1) To have existence until its existence is terminated~~
5 ~~by law.~~

6 ~~(2) To adopt bylaws and guidelines as necessary.~~

7 ~~(3) To sue and be sued, implead and be impleaded,~~
8 ~~interplead, complain and defend in any court.~~

9 ~~(4) To adopt, use and alter a corporate seal.~~

10 ~~(5) To employ an executive director and other persons as~~
11 ~~are necessary or convenient for carrying on the business of~~
12 ~~the authority.~~

13 ~~(6) To retain attorneys, accountants, auditors and~~
14 ~~financial experts, to render services and engage the services~~
15 ~~of other advisors, consultants and agents as necessary. The~~
16 ~~chairman shall ensure that minority owned or minority-~~
17 ~~controlled firms have an opportunity to participate to a~~
18 ~~significant degree in the provision of contractual services~~
19 ~~purchased by the authority.~~

20 ~~(7) To pay or satisfy obligations of the authority.~~

21 ~~(8) To contract and execute instruments, including~~
22 ~~financing agreements, letters of credit, guarantees,~~
23 ~~sureties, mortgages, loans, standby loan commitments and~~
24 ~~contracts of insurance, which are necessary or appropriate~~
25 ~~for carrying on the business of the authority. This power~~
26 ~~includes the ability to make and execute contracts for the~~
27 ~~servicing of loans and mortgages acquired by the authority.~~

28 ~~(9) To borrow money, issue bonds, obtain lines and~~
29 ~~letters of credit and incur debt.~~

30 ~~(10) To pledge the credit of the authority and provide~~

1 ~~security and liquidity to obligees of the authority as the~~
2 ~~authority deems necessary or appropriate.~~

3 ~~(11) To negotiate modifications or alterations in~~
4 ~~mortgages or security interests.~~

5 ~~(12) To foreclose on a mortgage or security interest in~~
6 ~~default.~~

7 ~~(13) To commence any action necessary to protect or~~
8 ~~enforce any right conferred upon the authority by any law,~~
9 ~~mortgage, security agreement, contract or other agreement.~~

10 ~~(14) To bid for or purchase property which was the~~
11 ~~subject of a mortgage or security interest at a foreclosure~~
12 ~~or other sale and to acquire and take possession of that~~
13 ~~property.~~

14 ~~(15) To charge and collect fees and charges in~~
15 ~~connection with loan commitments and servicing, including~~
16 ~~reimbursement of costs of financing.~~

17 ~~(16) To acquire, accept, purchase, receive, collect,~~
18 ~~hold, convey and invest funds, fees and property, whether~~
19 ~~tangible or intangible, from all sources, directly or by~~
20 ~~assignment, pledge or otherwise.~~

21 ~~(17) To sell, transfer, convey and dispose of any~~
22 ~~property, whether tangible or intangible.~~

23 ~~(18) To acquire and sell loans, mortgages and security~~
24 ~~interests at public or private sale.~~

25 ~~(19) To provide financial assistance to applicants and~~
26 ~~project users.~~

27 ~~(20) To agree to and comply with any conditions attached~~
28 ~~to Federal or Commonwealth financial assistance not~~
29 ~~inconsistent with the provisions of this chapter.~~

30 ~~(21) To make rules regarding the operation of properties~~

1 ~~and facilities of the authority subject to agreements with~~
2 ~~obligees of the authority.~~

3 ~~(22) To develop contractually binding policies to assure~~
4 ~~that:~~

5 ~~(i) all persons, including the authority's~~
6 ~~contractors, subcontractors, assignees, lessees, agents,~~
7 ~~vendors and suppliers, are accorded equality of~~
8 ~~opportunity in employment and contracting associated with~~
9 ~~projects and programs authorized under this chapter; and~~

10 ~~(ii) contracting parties demonstrate diversity in~~
11 ~~ownership of equity interests.~~

12 ~~(23) To exercise rights provided by law for the benefit~~
13 ~~or protection of the authority or obligees of the authority.~~

14 ~~(24) To invest money of the authority not required for~~
15 ~~immediate use, including proceeds from the sale of any bonds,~~
16 ~~as the board determines, subject to any agreement with~~
17 ~~bondholders stated in the authorizing resolution providing~~
18 ~~for the issuance of bonds.~~

19 ~~(25) To procure insurance against any loss in connection~~
20 ~~with its programs, property and other assets.~~

21 ~~(26) To enter into agreements providing for the~~
22 ~~acquisition of projects comprising or including public~~
23 ~~facilities for financing purposes only.~~

24 ~~(27) To promulgate regulations containing restrictions~~
25 ~~as it may deem necessary or appropriate to effectuate the~~
26 ~~public purposes of this chapter.~~

27 ~~(28) To finance all or part of an interagency project~~
28 ~~which meets the requirements of section 1521(a)(2) (relating~~
29 ~~to bond issuance).~~

30 ~~(29) To negotiate and enter into interest rate exchange~~

1 ~~agreements, interest rate cap agreements, collar agreements,~~
2 ~~corridor agreements, ceiling agreements, floor agreements,~~
3 ~~forward agreements, float agreements and other similar~~
4 ~~arrangements, which, in the judgment of the authority, will~~
5 ~~assist the authority in managing the interest costs of the~~
6 ~~authority.~~

7 ~~(30) To enter into financing agreements with applicants~~
8 ~~and project users providing, among other things:~~

9 ~~(i) for loan, lease or sale financing or other~~
10 ~~financing of projects for applicants or project users;~~

11 ~~(ii) for loan, rental or purchase price payments or~~
12 ~~other payments, sufficient to amortize the principal,~~
13 ~~interest and premium, if any, of all bonds and~~
14 ~~contractual obligations of the authority incurred to~~
15 ~~provide funds to pay the costs of the projects to be~~
16 ~~financed;~~

17 ~~(iii) for the applicants or project users to pay or~~
18 ~~cause to be paid all other costs of acquiring,~~
19 ~~constructing, maintaining and operating the projects;~~

20 ~~(iv) for conveyance with or without consideration of~~
21 ~~any part or all of a project to the project user or~~
22 ~~applicant on or before payment of all bonds and~~
23 ~~contractual obligations of the authority incurred with~~
24 ~~respect to the project; and~~

25 ~~(v) for other matters as are customary in those~~
26 ~~agreements or as may be deemed necessary or appropriate~~
27 ~~by the authority.~~

28 ~~(31) To make contracts and to execute instruments~~
29 ~~necessary or convenient for the carrying on of its business.~~

30 ~~(32) To do any act necessary or appropriate to carry out~~

1 ~~and effectuate the purposes of this chapter.~~

2 ~~(33) To do any act necessary or convenient to the~~
3 ~~exercise of the powers set forth in this subsection~~
4 ~~reasonably implied from those powers.~~

5 ~~(b) Duties. The authority shall administer the programs~~
6 ~~established in Subchapter E (relating to programs) in accordance~~
7 ~~with this chapter.~~

8 ~~SUBCHAPTER C~~

9 ~~BONDS~~

10 ~~Sec.~~

11 ~~1521. Bond issuance.~~

12 ~~1522. Commonwealth taxation.~~

13 ~~1523. Federal taxation.~~

14 ~~1524. Validity of bonds; limitation on actions.~~

15 ~~1525. Provisions of bonds; trust agreements.~~

16 ~~1526. Validity of pledge.~~

17 ~~1527. Commonwealth pledges.~~

18 ~~1528. Bonds to be legal investments.~~

19 ~~1529. Bondholder rights.~~

20 ~~§ 1521. Bond issuance.~~

21 ~~(a) Authorization.~~

22 ~~(1) The authority has the power to issue its limited~~
23 ~~obligation revenue bonds and other types of limited~~
24 ~~obligation revenue financing as in the judgment of the~~
25 ~~authority is necessary to provide sufficient funds for any~~
26 ~~project or group of projects, provided as follows:~~

27 ~~(i) That the issuance by the authority of taxable or~~
28 ~~tax exempt bonds on behalf of projects comprising~~
29 ~~industrial facilities, commercial facilities, pollution~~
30 ~~control facilities, energy conversion facilities, energy~~

1 ~~producing facilities and disaster relief project~~
2 ~~facilities, other than Pennsylvania Opportunity Fund~~
3 ~~projects, has been authorized by a local economic~~
4 ~~development financing authority or a group of local~~
5 ~~economic development financing authorities or by a local~~
6 ~~economic development agency or a group of local economic~~
7 ~~development agencies.~~

8 ~~(ii) That the authority may issue taxable or tax-~~
9 ~~exempt bonds on behalf of interagency projects, only if:~~

10 ~~(A) the applicant has first applied to PENNVEST~~
11 ~~for financing under the provisions of the act of~~
12 ~~March 1, 1988 (P.L.82, No.16), known as the~~
13 ~~Pennsylvania Infrastructure Investment Authority Act;~~
14 ~~and~~

15 ~~(B) PENNVEST, in writing, refers the applicant~~
16 ~~to the authority to finance all or part of the~~
17 ~~interagency project in accordance with this chapter.~~

18 ~~(iii) That the issuance by the authority of taxable~~
19 ~~or tax exempt bonds for a public facility, for~~
20 ~~interagency projects and for projects for roads and~~
21 ~~transportation facilities and transportation systems has~~
22 ~~been authorized by a municipality, municipal authority or~~
23 ~~Commonwealth agency and that both the applicant and the~~
24 ~~authority have determined that the cost of obtaining the~~
25 ~~financing for the public facility will be reduced through~~
26 ~~the issuance of bonds through the authority. For purposes~~
27 ~~of the determination required in this subparagraph, any~~
28 ~~financing for a public facility that the authority~~
29 ~~reasonably believes could have received a rating of "A"~~
30 ~~or better from a nationally recognized rating agency~~

1 ~~shall be presumed not to be eligible for financing by the~~
2 ~~authority under this paragraph.~~

3 ~~(2) The authority may, as it deems necessary and~~
4 ~~desirable, use the proceeds of bonds issued for all of the~~
5 ~~following:~~

6 ~~(i) Making loans.~~

7 ~~(ii) Purchasing loans, mortgages, security interests~~
8 ~~or loan participations.~~

9 ~~(iii) Paying incidental expenses in connection with~~
10 ~~activity under subparagraphs (i) and (ii).~~

11 ~~(iv) Paying expenses of authorizing and issuing the~~
12 ~~bonds.~~

13 ~~(v) Paying interest on the bonds until revenues of~~
14 ~~the project are available in sufficient amounts to pay~~
15 ~~interest.~~

16 ~~(vi) Funding reserves.~~

17 ~~(b) Method of financing. The financing of projects may be~~
18 ~~with tax exempt bonds or taxable bonds issued pursuant to this~~
19 ~~chapter and may be direct through application of bond proceeds~~
20 ~~or other funds to pay project costs or indirect through stock~~
21 ~~purchases or other means as the authority approves.~~

22 ~~(c) Authorization requirements.—~~

23 ~~(1) Bonds of the authority shall be authorized by a~~
24 ~~resolution of the board.~~

25 ~~(2) The bonds shall, as provided in the resolution of~~
26 ~~the board:~~

27 ~~(i) be of a series;~~

28 ~~(ii) bear a date or dates;~~

29 ~~(iii) bear or accrue interest at any rate or rates,~~
30 ~~whether fixed or variable;~~

1 ~~(iv) be in denominations;~~
2 ~~(v) be in any form, either coupon or fully~~
3 ~~registered without coupons or in certificated or book-~~
4 ~~entry only form;~~
5 ~~(vi) carry registration, exchangeability and~~
6 ~~interchangeability privileges;~~
7 ~~(vii) be payable in any medium of payment and at any~~
8 ~~place or places;~~
9 ~~(viii) mature on a date or dates not to exceed 40~~
10 ~~years from the bonds' original issue date; and~~
11 ~~(ix) be subject to terms of redemption, if any.~~
12 ~~(3) Bonds shall be signed by or shall bear the facsimile~~
13 ~~signature of the officer designated by the board.~~
14 ~~(4) Interest coupons shall be attached to coupon bonds~~
15 ~~and shall bear the facsimile signature of the officer~~
16 ~~designated by the board.~~
17 ~~(5) Bonds may be authenticated by an authenticating~~
18 ~~agent, fiscal agent or trustee.~~
19 ~~(6) Bonds may be issued and delivered notwithstanding~~
20 ~~that the officer signing the bonds or whose facsimile~~
21 ~~signature is on a coupon has ceased to be the officer at the~~
22 ~~time when the bond is actually delivered.~~
23 ~~(d) No debt or liability of the Commonwealth.—~~
24 ~~(1) Bonds issued under this chapter shall not be a debt~~
25 ~~or liability of the Commonwealth and shall not create or~~
26 ~~constitute any indebtedness, liability or obligation of the~~
27 ~~Commonwealth.~~
28 ~~(2) Bonds shall be payable solely from revenues or funds~~
29 ~~pledged or available for their repayment as authorized in~~
30 ~~this chapter, including the proceeds of any issue of bonds~~

1 ~~and, in the case of a public project, the pledge of fees,~~
2 ~~taxes and other revenues by a political subdivision or other~~
3 ~~instrumentality of the Commonwealth.~~

4 ~~(3) All bonds shall contain on their faces statements to~~
5 ~~the effect that:~~

6 ~~(i) the authority is obligated to pay the principal~~
7 ~~of or the interest on the bonds only from its revenues,~~
8 ~~receipts or funds pledged or available for their payment~~
9 ~~as authorized in this chapter;~~

10 ~~(ii) neither the Commonwealth nor any political~~
11 ~~subdivision is obligated to pay the principal or~~
12 ~~interest; and~~

13 ~~(iii) neither the faith and credit nor the taxing~~
14 ~~power of the Commonwealth or any political subdivision is~~
15 ~~pledged to the payment of the principal of or the~~
16 ~~interest on the bonds.~~

17 ~~(c) Sale.—~~

18 ~~(1) Bonds may be sold at public sale, invited sale or~~
19 ~~private sale for the price or prices the authority~~
20 ~~determines.~~

21 ~~(2) The authority shall ensure that minority owned or~~
22 ~~minority controlled firms have an opportunity to participate~~
23 ~~in a significant way in bond sale activities.~~

24 ~~(f) Interim receipts.— Pending the preparation of the~~
25 ~~definitive bonds, interim receipts may be issued to the~~
26 ~~purchaser or purchasers of the bonds and shall contain the terms~~
27 ~~and conditions established by the authority.~~

28 ~~(g) Negotiable instruments.— Bonds of the authority shall~~
29 ~~have the qualities of negotiable instruments under 13 Pa.C.S.~~
30 ~~(relating to commercial code).~~

1 ~~(h) Refunding. Subject to provisions of this chapter and~~
2 ~~the terms of bonds or other contractual obligations issued in~~
3 ~~accordance with this chapter, the authority may refund any~~
4 ~~outstanding debt of the authority, whether the debt represents~~
5 ~~principal or interest, in whole or in part, at any time. For the~~
6 ~~purposes of this subsection, the term "refund" and its~~
7 ~~variations means the issuance and sale of obligations the~~
8 ~~proceeds of which are used or are to be used for the payment or~~
9 ~~redemption of outstanding obligations upon or prior to maturity.~~
10 ~~§ 1522. Commonwealth taxation.~~

11 ~~(a) General. The effectuation of the purposes of the~~
12 ~~authority is in all respects for the benefit of the people of~~
13 ~~this Commonwealth; for the increase of their commerce and~~
14 ~~prosperity; and for the improvement of their health, safety,~~
15 ~~welfare and living conditions.~~

16 ~~(b) Authority. Since the authority, as a public~~
17 ~~instrumentality of the Commonwealth, will be performing~~
18 ~~essential governmental functions in effectuating these purposes,~~
19 ~~the authority is not required to pay any taxes or assessments~~
20 ~~upon any property acquired or used or permitted to be used by~~
21 ~~the authority for its purposes.~~

22 ~~(c) Bonds. Bonds issued by the authority, the transfer and~~
23 ~~the income from the bonds, including profit made on their sale,~~
24 ~~are free from State and local taxation within this Commonwealth.~~
25 ~~The exclusion under this subsection shall not extend to gift,~~
26 ~~estate, succession or inheritance taxes or any other taxes not~~
27 ~~levied directly on the bonds, their transfer, the income from~~
28 ~~the bonds or the realization of profits on their sale.~~

29 ~~§ 1523. Federal taxation.~~

30 ~~(a) Allocation. If the bonds issued by the authority for a~~

1 ~~project are tax exempt bonds for which Federal law requires an~~
2 ~~allocation, the department shall issue an allocation charging a~~
3 ~~small issue project's pro rata share of the issue to the county~~
4 ~~in which the project will be located if the project requires a~~
5 ~~type of allocation distributed by the department to counties.~~

6 ~~(b) Approval. If gubernatorial approval is required by~~
7 ~~Federal or Commonwealth law, the Governor may approve the~~
8 ~~issuance of bonds by the authority upon receipt of written~~
9 ~~request for approval from the board. The written request must~~
10 ~~state all of the following:~~

11 ~~(1) The authority has conducted a public hearing, with~~
12 ~~appropriate public notice, concerning the purposes for which~~
13 ~~the bonds are to be issued.~~

14 ~~(2) A description of the project or projects to be~~
15 ~~financed.~~

16 ~~(3) A description of the method of financing the project~~
17 ~~or projects.~~

18 ~~(4) A summary of the comments made and questions posed~~
19 ~~at the public hearing.~~

20 ~~§ 1524. Validity of bonds; limitation on actions.~~

21 ~~(a) Presumption. A bond reciting in substance that it has~~
22 ~~been issued by the authority to accomplish the public purposes~~
23 ~~of this chapter shall be conclusively deemed in any suit, action~~
24 ~~or proceeding involving the validity or enforceability of the~~
25 ~~bonds or their security to have been issued for the public~~
26 ~~purposes of this chapter.~~

27 ~~(b) Estoppel. After issuance, bonds shall be conclusively~~
28 ~~presumed to be fully authorized and issued by all the laws of~~
29 ~~this Commonwealth; and any person shall be estopped from~~
30 ~~questioning their validity, sale, execution or delivery by the~~

1 authority.

2 ~~§ 1525. Provisions of bonds; trust agreements.~~

3 ~~A resolution authorizing bonds or any trust agreement~~
4 ~~approved by the authority in a resolution authorizing the bonds~~
5 ~~may contain provisions to:~~

6 ~~(1) Secure the bonds.~~

7 ~~(2) Covenant against:~~

8 ~~(i) pledging or granting a security interest in all~~
9 ~~or any part of the authority's revenues or all or any~~
10 ~~part of its property to which its right or title exists~~
11 ~~or which may later come into existence; or~~

12 ~~(ii) permitting or suffering any lien on all or any~~
13 ~~part of its revenues or property.~~

14 ~~(3) Covenant with respect to limiting the authority's~~
15 ~~right to sell, pledge or otherwise dispose of bonds or notes~~
16 ~~of governmental units, loan agreements or other property.~~

17 ~~(4) Covenant as to additional bonds to be issued, as to~~
18 ~~limitations on additional bonds, as to terms and conditions~~
19 ~~of additional bonds and as to the custody, application,~~
20 ~~investment and disposition of proceeds of bonds.~~

21 ~~(5) Covenant as to the incurring of other debts or~~
22 ~~obligations by the authority.~~

23 ~~(6) Covenant as to the:~~

24 ~~(i) payment of principal of or interest on bonds;~~

25 ~~(ii) sources and methods of payment; and~~

26 ~~(iii) rank or priority of bonds with respect to~~
27 ~~liens or security interests.~~

28 ~~(7) Provide for the replacement of lost, stolen,~~
29 ~~destroyed or mutilated bonds.~~

30 ~~(8) Covenant against extending the time for the payment~~

1 ~~of bonds or interest.~~

2 ~~(9) Covenant as to the redemption, purchase, tender of~~
3 ~~bonds by the authority or the bondholders and the privilege~~
4 ~~of exchange of bonds for other bonds.~~

5 ~~(10) Create or authorize the creation of special funds~~
6 ~~or accounts to be held in trust or otherwise for the benefit~~
7 ~~of bondholders or of reserves for debt service or other~~
8 ~~purposes.~~

9 ~~(11) Covenant as to the use, investment and disposition~~
10 ~~of the money held in special funds, accounts or reserves.~~

11 ~~(12) Prescribe:~~

12 ~~(i) the procedure, if any, by which the terms of any~~
13 ~~contract with bondholders may be amended or abrogated;~~

14 ~~(ii) the percentage of the principal amount of bonds~~
15 ~~the holders of which must consent to the amendment or~~
16 ~~abrogation; and~~

17 ~~(iii) the manner in which the consent may be given.~~

18 ~~(13) Covenant as to the use of any or all of the~~
19 ~~authority's real or personal property or warrant its title.~~

20 ~~(14) Provide for the maintenance of the authority's real~~
21 ~~and personal property, the replacement of its real and~~
22 ~~personal property, the insurance to be carried on its real~~
23 ~~and personal property and the use and disposition of~~
24 ~~insurance proceeds.~~

25 ~~(15) Provide for rights, liabilities, powers and duties~~
26 ~~arising upon the breach of any covenant, condition or~~
27 ~~obligation.~~

28 ~~(16) Prescribe:~~

29 ~~(i) events of default;~~

30 ~~(ii) terms and conditions upon which any or all of~~

1 ~~the bonds become or may be declared due and payable~~
2 ~~before stated maturity following an event of default; and~~

3 ~~(iii) terms and conditions upon which the~~
4 ~~declaration and its consequence may be waived.~~

5 ~~(17) Pay the costs or expenses incident to:~~

6 ~~(i) the enforcement of the bonds;~~

7 ~~(ii) the provisions of the resolution authorizing~~
8 ~~the issuance of the bonds;~~

9 ~~(iii) the trust agreement securing the bonds; and~~

10 ~~(iv) any covenant or agreement of the authority with~~
11 ~~the holders of the bonds or other obligees of the~~
12 ~~authority.~~

13 ~~(18) Vest in a trustee, within or without this~~
14 ~~Commonwealth, any property, rights, powers and duties in~~
15 ~~trust, including rights with respect to the sale or other~~
16 ~~disposition of notes and bonds of governmental units and~~
17 ~~other instruments and security pledged under a resolution or~~
18 ~~trust agreement for the benefit of bondholders and rights, by~~
19 ~~suit or action, to foreclose a mortgage pledged under a~~
20 ~~resolution or trust indenture for the benefit of bondholders.~~

21 ~~(19) Limit the rights, powers and duties of a trustee~~
22 ~~and the right of bondholders to appoint a trustee.~~

23 ~~(20) Establish the terms and conditions upon which a~~
24 ~~trustee or the bondholders may enforce a covenant or rights~~
25 ~~securing or relating to the bonds.~~

26 ~~(21) Obtain letters of credit, bond insurance and other~~
27 ~~facilities for credit enhancement and liquidity.~~

28 ~~(22) Exercise all or any part or combination of the~~
29 ~~powers granted in this chapter.~~

30 ~~(23) Make covenants other than and in addition to the~~

1 ~~covenants expressly authorized by this chapter.~~

2 ~~(24) Make any other covenant and do or refrain from~~
3 ~~doing any other act and thing necessary, convenient or~~
4 ~~desirable in order to better secure the bonds of the~~
5 ~~authority or, in the absolute discretion of the authority, as~~
6 ~~will tend to make bonds of the authority more marketable,~~
7 ~~notwithstanding that the covenant, act or thing may not be~~
8 ~~specifically enumerated in this chapter.~~

9 ~~§ 1526. Validity of pledge.~~

10 ~~Any pledge of or grant of a security interest in revenues or~~
11 ~~instruments made by the authority shall be valid and binding~~
12 ~~from the time when the pledge is made. The revenues, receipts,~~
13 ~~money, funds or other property or instruments pledged and later~~
14 ~~received by the authority shall immediately be subject to the~~
15 ~~lien of the pledge or security interest without any physical~~
16 ~~delivery of the property pledged or further act. The lien of the~~
17 ~~pledge or security interest shall be valid and binding as~~
18 ~~against all parties having claims of any kind in tort, contract~~
19 ~~or otherwise against the authority irrespective of whether the~~
20 ~~parties have notice of the lien, pledge or security interest. No~~
21 ~~instrument by which a pledge or security interest is created,~~
22 ~~evidenced or noticed need be recorded or filed to perfect the~~
23 ~~pledge or security interest, except in the records of the~~
24 ~~authority.~~

25 ~~§ 1527. Commonwealth pledges.~~

26 ~~(a) Bondholders. The Commonwealth pledges to and agrees~~
27 ~~with each obligee of the authority that the Commonwealth will~~
28 ~~not limit or alter the rights and powers vested in the authority~~
29 ~~or otherwise created by this chapter in any manner inconsistent~~
30 ~~with the obligations of the authority to its obligees until all~~

1 ~~bonds at any time issued, together with the interest on the~~
2 ~~bonds, are fully paid and discharged.~~

3 ~~(b) Lessees. The Commonwealth pledges and agrees with any~~
4 ~~person that, as owner of property which is leased or subleased~~
5 ~~to or from the authority, it will not limit or alter the rights~~
6 ~~and powers vested in the authority or otherwise created by this~~
7 ~~chapter in any manner which impairs the obligations of the~~
8 ~~authority until all the obligations of the authority under the~~
9 ~~lease or sublease are fully met and discharged.~~

10 ~~§ 1528. Bonds to be legal investments.~~

11 ~~(a) Investments. Bonds issued pursuant to this chapter are~~
12 ~~made securities in which all of the following may properly and~~
13 ~~legally invest funds, including capital, deposits or other funds~~
14 ~~in their control or belonging to them:~~

15 ~~(1) Government agencies.~~

16 ~~(2) Insurance companies.~~

17 ~~(3) Trust companies.~~

18 ~~(4) Banking associations, banking corporations and~~
19 ~~savings banks.~~

20 ~~(5) Investment companies.~~

21 ~~(6) Executors, trustees and other fiduciaries.~~

22 ~~(7) Trustees of any retirement, pension or annuity fund~~
23 ~~or system of the Commonwealth.~~

24 ~~(b) Deposits. Bonds issued by the authority are made~~
25 ~~securities which may properly and legally be deposited with and~~
26 ~~received by any government agency for any purpose for which the~~
27 ~~deposit of bonds or other obligations of the Commonwealth are~~
28 ~~authorized by law.~~

29 ~~§ 1529. Bondholder rights.~~

30 ~~The rights and remedies conferred upon or granted to~~

~~1 bondholders pursuant to this chapter shall be in addition to and
2 not in limitation of rights and remedies lawfully granted to
3 bondholders by the resolution providing for the issuance of
4 bonds or by any trust agreement or other agreement under which
5 the bonds may be issued or secured.~~

~~6 SUBCHAPTER D~~

~~7 AUTHORITY LOANS~~

~~8 Sec.~~

~~9 1541. Restrictions on use of funds.~~

~~10 1542. Funding.~~

~~11 § 1541. Restrictions on use of funds.~~

~~12 In addition to other provisions of this chapter limiting the
13 power of the authority to make loans or provide other financial
14 assistance to a particular project, no funds of the authority
15 shall be used with respect to a project if the authority would
16 be required, except upon foreclosure or except upon the
17 occurrence of a default in the payment or terms of any loan
18 made, to operate, service or maintain the project pursuant to
19 any lease or other agreement. Nothing shall prevent the
20 authority from transferring the property to the applicant,
21 project user or either of their designees at the end of the term
22 of the financing.~~

~~23 § 1542. Funding.~~

~~24 The following shall apply:~~

~~25 (1) The authority is authorized to incur debt, including
26 through the issuance of bonds, in an amount not to exceed
27 \$150,000,000 which shall be deposited into an account to fund
28 all of the following:~~

~~29 (i) Programs established by Subchapter F (relating
30 to programs).~~

1 ~~(ii) The costs of the authority, the board and the~~
2 ~~department which are incurred in connection with the~~
3 ~~administration of the program.~~

4 ~~(iii) For use by the board for the making of new~~
5 ~~grants and the making of new and additional loans and~~
6 ~~loan guarantees under section 1551 (relating to First~~
7 ~~Industries).~~

8 ~~(2) Deposits of funds made into the First Industries~~
9 ~~Program Account, including funds paid as a result of the~~
10 ~~payment of interest and principal on loans made under this~~
11 ~~program and interest earned on the funds in the account,~~
12 ~~shall be a revolving loan fund, for payment of interest on or~~
13 ~~repayment of the debt incurred by the authority as authorized~~
14 ~~in this chapter and for costs associated with the~~
15 ~~administration of the program, as the board shall determine.~~

16 SUBCHAPTER E

17 PROGRAMS

18 Sec.

19 ~~1551. First Industries.~~

20 ~~§ 1551. First Industries.~~

21 ~~(a) Establishment. There is established a program to be~~
22 ~~known as the First Industries Program. The program shall provide~~
23 ~~financial assistance in the form of loans, grants and guarantees~~
24 ~~for tourism, agricultural and related projects located within~~
25 ~~this Commonwealth.~~

26 ~~(b) Applications for planning grants. A project applicant~~
27 ~~may submit an application to the board requesting a planning~~
28 ~~grant in an amount not to exceed \$250,000 for the reimbursement~~
29 ~~of costs of predevelopment and feasibility studies for a tourism~~
30 ~~or agricultural project. The application shall be on the form~~

1 ~~required by the board and shall include or demonstrate all of~~
2 ~~the following:~~

3 ~~(1) The applicant's name and address.~~

4 ~~(2) The location of the project.~~

5 ~~(3) A description of the project.~~

6 ~~(4) An estimate of the cost of the predevelopment and~~
7 ~~feasibility studies and the goal to be achieved by carrying~~
8 ~~out the proposed studies.~~

9 ~~(5) A statement of the amount of the planning grant~~
10 ~~sought.~~

11 ~~(6) Any other information required by the board.~~

12 ~~(c) Review and approval of planning grant applications. The~~
13 ~~following shall apply:~~

14 ~~(1) The board shall review the application and upon~~
15 ~~being satisfied that all requirements have been met, the~~
16 ~~board may approve the application and award a planning grant.~~
17 ~~To be eligible for funding, a project must demonstrate one or~~
18 ~~more of the following:~~

19 ~~(i) The project involves a joint venture among two~~
20 ~~or more tourism, agricultural or related entities that~~
21 ~~will have a demonstrable impact on the economy of the~~
22 ~~community or region where the venture will be located or~~
23 ~~operational.~~

24 ~~(ii) The project will promote research and~~
25 ~~development efforts leading to increased~~
26 ~~commercialization or utilization of farm commodities.~~

27 ~~(iii) The project will result in environmentally~~
28 ~~friendly or energy efficient agricultural operations.~~

29 ~~(iv) The project will result in more cost effective~~
30 ~~and efficient marketing of regional tourism or~~

1 ~~agricultural assets.~~

2 ~~(v) The project will result in a substantial~~
3 ~~increase in revenues for the Commonwealth or the host~~
4 ~~municipality.~~

5 ~~(vi) The project proposes to utilize Commonwealth-~~
6 ~~owned natural resources for public/private development of~~
7 ~~a tourism product.~~

8 ~~(2) Copies of all reports and studies prepared with~~
9 ~~planning grant funds shall be provided to the board and shall~~
10 ~~be made available to any person upon request.~~

11 ~~(d) Project financing. The board may make funds available~~
12 ~~to project applicants to finance the cost of a project. The~~
13 ~~funds may be provided in the form of direct loans to project~~
14 ~~applicants, loans to capitalize revolving loan funds operated by~~
15 ~~nonprofit entities or guarantees of loans made by commercial~~
16 ~~lending institutions. The board shall determine the amount of~~
17 ~~funds provided under section 1542 (relating to funding) to be~~
18 ~~allocated among the different methods of financing authorized in~~
19 ~~subsections (e), (f) and (g), subject to the provisions of~~
20 ~~subsection (h).~~

21 ~~(e) Direct loans to project applicants. The board may make~~
22 ~~funds available to the department for loans for production~~
23 ~~agriculture and tourism activities under the Small Business~~
24 ~~First program or the Machinery and Equipment Loan Fund program~~
25 ~~or any successor programs, as authorized under the act of June~~
26 ~~29, 1996 (P.L.434, No.67), known as the Job Enhancement Act.~~
27 ~~Loans shall be made in accordance with the terms and conditions~~
28 ~~of those programs and may be made to any type of tourism,~~
29 ~~production agriculture or related project that would be eligible~~
30 ~~for financing under this chapter. After the department has~~

1 ~~completed its review of the application and has determined that~~
2 ~~the application should be recommended for approval, it shall~~
3 ~~submit the application and its recommendation to the board for~~
4 ~~approval and funding. Loans shall be administered by the~~
5 ~~department, but all payments of loan principal and interest~~
6 ~~shall be paid into an account.~~

7 ~~(f) Applications for loans to local revolving loan funds.—~~
8 ~~The following shall apply:~~

9 ~~(1) A nonprofit entity that operates a revolving loan~~
10 ~~fund may submit an application to the board requesting a loan~~
11 ~~to capitalize a revolving loan fund administered by the~~
12 ~~nonprofit entity. The application shall be on the form~~
13 ~~required by the board and shall include or demonstrate all of~~
14 ~~the following:~~

15 ~~(i) The applicant's name and address.~~

16 ~~(ii) The names of the applicant's executive~~
17 ~~director, board of directors and all staff involved with~~
18 ~~the operation and administration of the revolving loan~~
19 ~~fund.~~

20 ~~(iii) A copy of the applicant's last two years of~~
21 ~~certified public accountant prepared financial~~
22 ~~statements.~~

23 ~~(iv) A statement that the applicant will utilize the~~
24 ~~funds received only for tourism and production~~
25 ~~agriculture projects and a description of how the~~
26 ~~revolving loan fund will accept, review, approve and~~
27 ~~administer applications for funding.~~

28 ~~(v) The collateral or security to be provided for~~
29 ~~the loan.~~

30 ~~(vi) Identification of any matching funds for the~~

1 project.

2 ~~(vii) Any other information required by the board.~~

3 ~~(2) The board shall review applications submitted under~~
4 ~~paragraph (1) to determine all of the following:~~

5 ~~(i) If the local revolving loan fund is financially~~
6 ~~sound. If the applicant is an accredited community~~
7 ~~development financial institution as determined by the~~
8 ~~Pennsylvania Community Development Bank Operational~~
9 ~~Committee, as authorized under the Job Enhancement Act,~~
10 ~~the board may accept that determination in lieu of~~
11 ~~conducting its own review of the financial soundness of~~
12 ~~the fund.~~

13 ~~(ii) If the proposed collateral or security is~~
14 ~~sufficient to repay the loan or is offered in accordance~~
15 ~~with the same terms and conditions provided to all other~~
16 ~~lenders of capital for the revolving loan fund.~~

17 ~~(iii) If the funds will be used to make loans to~~
18 ~~tourism or production agriculture projects.~~

19 ~~(iv) If the applicant complied with all other~~
20 ~~criteria established by the board.~~

21 ~~(3) Upon being satisfied that all requirements have been~~
22 ~~met, the board may approve the application and award a loan~~
23 ~~to the project for a term and at an interest rate to be~~
24 ~~established by the board.~~

25 ~~(g) Applications for loan guarantees. The following shall~~
26 ~~apply:~~

27 ~~(1) A project applicant, which may include a commercial~~
28 ~~lending institution on behalf of a borrower, may request a~~
29 ~~loan guarantee for a loan received from a commercial lending~~
30 ~~institution to assist with the financing of a tourism or~~

1 ~~production agricultural project which has been the recipient~~
2 ~~of a planning grant under subsection (b) or a project which~~
3 ~~demonstrates significant private investment. The application~~
4 ~~must be on the form required by the board and must include or~~
5 ~~demonstrate all of the following:~~

6 ~~(i) The applicant's name and address.~~

7 ~~(ii) A description of the project.~~

8 ~~(iii) A statement describing the likely economic~~
9 ~~impact to this Commonwealth and the host municipality as~~
10 ~~a result of the project.~~

11 ~~(iv) A description of the project financing,~~
12 ~~including terms, conditions and the collateral or~~
13 ~~security required.~~

14 ~~(v) The amount of the loan guarantee that is being~~
15 ~~requested.~~

16 ~~(vi) The total project cost and the identification~~
17 ~~of all sources of capital for the project.~~

18 ~~(vii) Any other information required by the board.~~

19 ~~(2) The board shall review the application to determine~~
20 ~~all of the following:~~

21 ~~(i) If the proposed project is feasible and~~
22 ~~demonstrates soundness in concept.~~

23 ~~(ii) If the proposed collateral or security is~~
24 ~~sufficient to cover the guarantee in the event of a call.~~

25 ~~(iii) If the applicant complied with all other~~
26 ~~criteria established by the board.~~

27 ~~(3) Upon being satisfied that all requirements have been~~
28 ~~met, the board may approve the application and award a loan~~
29 ~~guarantee to the project. Loan guarantees shall be for no~~
30 ~~more than 50% of the total project cost, or \$2,500,000,~~

1 ~~whichever is less. The terms of the loan guarantee must be~~
2 ~~agreed to by the commercial lending institution which is the~~
3 ~~lender of the funds subject to the guarantee. The board may~~
4 ~~establish a subcommittee composed of board members and staff~~
5 ~~of the department to supervise the progress of projects which~~
6 ~~receive loan guarantees under this section.~~

7 ~~(h) Limitations.—~~

8 ~~(1) Except upon foreclosure or default or violation of a~~
9 ~~loan or loan guarantee made, the board may not approve an~~
10 ~~application or finance a project if the board or authority~~
11 ~~would be required to operate, service or maintain the project~~
12 ~~under a lease or other agreement.~~

13 ~~(2) No more than \$10,000,000 of the funds in the account~~
14 ~~under section 1542 (relating to funding) may be used for~~
15 ~~grants awarded under subsection (c).~~

16 ~~(3) At least two thirds of the funds made available~~
17 ~~through debt incurred under section 1542 shall be used for~~
18 ~~financing of production agriculture or related projects.~~

19 SECTION 1. TITLE 64 OF THE PENNSYLVANIA CONSOLIDATED

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20 STATUTES IS AMENDED BY ADDING A PART TO READ:

21 PART II

22 ECONOMIC DEVELOPMENT FINANCING

23 CHAPTER

24 11. PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY

25 (RESERVED)

26 13. PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

27 (RESERVED)

28 15. COMMONWEALTH FINANCING AUTHORITY

29 CHAPTER 11

30 PENNSYLVANIA INDUSTRIAL INVESTMENT AUTHORITY

1 (RESERVED)

2 CHAPTER 13

3 PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

4 (RESERVED)

5 CHAPTER 15

6 COMMONWEALTH FINANCING AUTHORITY

7 SUBCHAPTER

8 A. GENERAL PROVISIONS

9 B. STRUCTURE AND POWERS

10 C. BONDS

11 D. FUNDS, ACCOUNTS, INDEBTEDNESS AND USE

12 E. PROGRAMS

13 SUBCHAPTER A

14 GENERAL PROVISIONS

15 SEC.

16 1501. SCOPE.

17 1502. CONSTRUCTION.

18 1503. (RESERVED).

19 1504. DEFINITIONS.

20 § 1501. SCOPE.

21 THIS CHAPTER RELATES TO THE COMMONWEALTH FINANCING AUTHORITY.

22 § 1502. CONSTRUCTION.

23 THIS CHAPTER SHALL BE LIBERALLY CONSTRUED IN ORDER TO EFFECT

24 THE LEGISLATIVE AND PUBLIC PURPOSES AS SET FORTH IN THIS

25 SUBCHAPTER.

26 § 1503. (RESERVED).

27 § 1504. DEFINITIONS.

28 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER

29 SHALL HAVE THE MEANING GIVEN TO THEM IN THIS SECTION UNLESS THE

30 CONTEXT CLEARLY OTHERWISE:

1 "AGRICULTURE." ANY OF THE FOLLOWING:

2 (1) PRODUCTION AGRICULTURE.

3 (2) AGRIBUSINESS.

4 (3) THE SALE OF FARM COMMODITIES AT WHOLESALE.

5 (4) THE SALE OF FARM COMMODITIES AT RETAIL BY URBAN AND
6 RURAL SUPERMARKETS LOCATED OR TO BE LOCATED IN UNDERSERVED
7 AREAS.

8 (5) FARMERS' MARKETS.

9 (6) ENERGY-RELATED ACTIVITIES IMPACTING PRODUCTION
10 AGRICULTURE OR AGRIBUSINESS.

11 (7) ACTIVITIES WHICH IMPLEMENT BEST PRACTICES RELATED TO
12 WASTE, WASTE PRODUCTS, BY-PRODUCTS OR FERTILIZER.

13 (8) ANY OTHER ACTIVITY DEEMED BY THE COMMONWEALTH
14 FINANCING AUTHORITY TO INVOLVE AGRICULTURE.

15 "APPLICANT." A PERSON THAT SUBMITS AN APPLICATION IN
16 ACCORDANCE WITH SUBCHAPTER E (RELATING TO PROGRAMS).

17 "AUTHORITY." THE COMMONWEALTH FINANCING AUTHORITY
18 ESTABLISHED IN SECTION 1511 (RELATING TO AUTHORITY).

19 "BOARD." THE BOARD OF THE COMMONWEALTH FINANCING AUTHORITY
20 ESTABLISHED IN SECTION 1512 (RELATING TO BOARD).

21 "BONDS." NOTES, INSTRUMENTS, REFUNDING NOTES AND BONDS AND
22 OTHER EVIDENCES OF INDEBTEDNESS OR OBLIGATIONS.

23 "COMMERCIAL LENDING ACTIVITIES." THE MAKING OF LOANS AND THE
24 PROVISION OF DEPOSIT SERVICES TO BUSINESS ENTITIES.

25 "COMMERCIAL LENDING INSTITUTIONS." A FEDERALLY CHARTERED OR
26 STATE-CHARTERED BANK, SAVINGS BANK OR SAVINGS AND LOAN
27 ASSOCIATION WHICH HAS A SATISFACTORY RATING FROM ITS PRIMARY
28 REGULATOR AND WHICH IS ENGAGED IN COMMERCIAL LENDING ACTIVITIES.
29 THE INSTITUTION MUST OPERATE AT LEAST ONE FULL-SERVICE BRANCH
30 FOR DEPOSIT GATHERING AND LENDING LOCATED WITHIN THIS

1 COMMONWEALTH.

2 "COMMONWEALTH AGENCY." AN AGENCY, AUTHORITY OR OTHER
3 INSTRUMENTALITY OF THE COMMONWEALTH.

4 "COMPREHENSIVE COUNTY PLAN" OR "COMPREHENSIVE MUNICIPAL
5 PLAN." THE COMPREHENSIVE PLAN ADOPTED BY A COUNTY OR A
6 MUNICIPALITY, RESPECTIVELY, UNDER THE ACT OF JULY 31, 1968
7 (P.L.805, NO.247), KNOWN AS THE PENNSYLVANIA MUNICIPALITIES
8 PLANNING CODE.

9 "COST OF THE PROJECT" OR "COST." ANY OF THE FOLLOWING:

10 (1) COSTS AND EXPENSES OF ACQUISITION OF INTERESTS IN
11 LAND, BUILDINGS, STRUCTURES, EQUIPMENT, FURNISHINGS, FIXTURES
12 AND OTHER TANGIBLE OR INTANGIBLE PROPERTY, WHICH COMPRISE THE
13 PROJECT.

14 (2) COSTS AND EXPENSES OF CONSTRUCTION, RECONSTRUCTION,
15 ERECTION, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT,
16 INSTALLATION, REHABILITATION, RENOVATION OR REPAIR OF THE
17 BUILDINGS, STRUCTURES AND EQUIPMENT, WHICH COMPRISE THE
18 PROJECT.

19 (3) COSTS AND EXPENSES OF DEMOLISHING, REMOVING OR
20 RELOCATING BUILDINGS OR STRUCTURES ON LANDS ACQUIRED OR TO BE
21 ACQUIRED AND THE EXPENSE OF ACQUIRING LAND TO WHICH THE
22 BUILDINGS OR STRUCTURES MAY BE MOVED OR RELOCATED.

23 (4) COSTS AND EXPENSES OF PREPARING LAND FOR
24 DEVELOPMENT.

25 (5) COSTS AND EXPENSES OF ENGINEERING SERVICES,
26 FINANCIAL SERVICES, ACCOUNTING SERVICES AND LEGAL SERVICES,
27 PLANS, SPECIFICATIONS, STUDIES AND SURVEYS NECESSARY OR
28 INCIDENTAL TO DETERMINING THE FEASIBILITY OR PRACTICABILITY
29 OF CONSTRUCTING THE PROJECT.

30 (6) WORKING CAPITAL OR OTHER CAPITAL NEEDS RELATED TO

1 THE PROJECT.

2 (7) OTHER COSTS AND EXPENSES DEEMED NECESSARY BY THE
3 COMMONWEALTH FINANCING AUTHORITY.

4 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
5 DEVELOPMENT OF THE COMMONWEALTH.

6 "EXECUTIVE AGENCY." THE GOVERNOR AND THE DEPARTMENTS,
7 BOARDS, COMMISSIONS, AUTHORITIES AND OTHER OFFICERS AND AGENCIES
8 OF THE COMMONWEALTH. THE TERM DOES NOT INCLUDE ANY COURT OR
9 OTHER OFFICER OR AGENCY OF THE UNIFIED JUDICIAL SYSTEM, THE
10 GENERAL ASSEMBLY AND ITS OFFICERS AND AGENCIES, AN INDEPENDENT
11 AGENCY OR A STATE-AFFILIATED ENTITY.

12 "FARM COMMODITIES." AGRICULTURAL, HORTICULTURAL,
13 AQUACULTURAL, VEGETABLE, FRUIT AND FLORICULTURAL PRODUCTS OF THE
14 SOIL; LIVESTOCK AND MEATS; WOOLS; HIDES; FURS; POULTRY, EGGS,
15 DAIRY PRODUCTS, NUTS, MUSHROOMS, HONEY PRODUCTS AND FOREST
16 PRODUCTS.

17 "FARMER." A PERSON ENGAGED IN THE BUSINESS OF PRODUCTION
18 AGRICULTURE.

19 "FEDERAL AGENCY." THE UNITED STATES OF AMERICA; THE
20 PRESIDENT OF THE UNITED STATES OF AMERICA; THE CONGRESS; AND ANY
21 DEPARTMENT, CORPORATION, AGENCY OR INSTRUMENTALITY DESIGNATED OR
22 ESTABLISHED BY THE UNITED STATES OF AMERICA.

23 "FINANCE." THE TERM SHALL HAVE THE BROADEST POSSIBLE
24 MEANING. THE TERM INCLUDES REFINANCE.

25 "FINANCIAL ASSISTANCE." LOANS, GRANTS, GUARANTEES, SALES,
26 LEASES, INVESTMENTS AUTHORIZED IN SUBCHAPTER E (RELATING TO
27 PROGRAMS), LINES OF CREDIT, LETTERS OF CREDIT AND OTHER
28 FINANCIAL ARRANGEMENTS WHICH THE COMMONWEALTH FINANCING
29 AUTHORITY IS AUTHORIZED TO UNDERTAKE UNDER SUBCHAPTER E
30 (RELATING TO PROGRAMS).

1 "FINANCING." THE TERM SHALL HAVE THE BROADEST POSSIBLE
2 MEANING. THE TERM INCLUDES REFINANCING.

3 "FUND." THE COMMONWEALTH FUND ESTABLISHED IN SECTION 1541
4 (RELATING TO FUND).

5 "FUND MANAGER." AN ORGANIZATION WHICH HAS AS ITS PRIMARY
6 PURPOSE THE MANAGING OF CAPITAL FOR REAL ESTATE INVESTMENTS.

7 "GOVERNMENT AGENCY." A COMMONWEALTH AGENCY; THE UNIFIED
8 JUDICIAL SYSTEM AND ITS COURTS, OFFICERS AND AGENCIES; THE
9 GENERAL ASSEMBLY AND ITS OFFICERS AND AGENCIES; A POLITICAL
10 SUBDIVISION; A MUNICIPAL AUTHORITY OR OTHER LOCAL AUTHORITY; A
11 LOCAL, REGIONAL OR METROPOLITAN TRANSPORTATION AUTHORITY; OR A
12 BOARD, COMMISSION OR OTHER AGENCY OR INSTRUMENTALITY OF A
13 POLITICAL SUBDIVISION, A MUNICIPAL AUTHORITY OR OTHER LOCAL
14 AUTHORITY.

15 "GOVERNMENT BODY." THE BODY OR BOARD AUTHORIZED BY LAW TO
16 ENACT ORDINANCES OR ADOPT RESOLUTIONS FOR A POLITICAL
17 SUBDIVISION.

18 "INDEPENDENT AGENCY." A BOARD, COMMISSION OR OTHER AGENCY OR
19 OFFICER OF THE COMMONWEALTH WHICH IS NOT SUBJECT TO THE POLICY,
20 SUPERVISION AND CONTROL OF THE GOVERNOR. THE TERM DOES NOT
21 INCLUDE A STATE-AFFILIATED ENTITY; ANY COURT OR OTHER OFFICER OR
22 AGENCY OF THE UNIFIED JUDICIAL SYSTEM; THE GENERAL ASSEMBLY AND
23 ITS OFFICERS AND AGENCIES; A STATE-RELATED INSTITUTION; A
24 POLITICAL SUBDIVISION; OR A LOCAL, REGIONAL OR METROPOLITAN
25 TRANSPORTATION AUTHORITY.

26 "INDUSTRIAL DEVELOPMENT CORPORATION." AN ENTITY WHICH HAS
27 BEEN CERTIFIED AS AN INDUSTRIAL DEVELOPMENT AGENCY BY THE
28 PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY BOARD UNDER THE
29 ACT OF MAY 17, 1956 (1955 P.L.1609, NO.537), KNOWN AS THE
30 PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY ACT.

1 "ISSUING AUTHORITY." AS DEFINED IN SECTION 3 OF THE ACT OF
2 JULY 11, 1990 (P.L.465, NO.113), KNOWN AS THE TAX INCREMENT
3 FINANCING ACT.

4 "MANAGING PARTNER." A GENERAL PARTNER, A MANAGER, A MANAGING
5 MEMBER OR ANOTHER PERSON DESIGNATED AS THE MANAGER OF A VENTURE
6 CAPITAL PARTNERSHIP.

7 "MUNICIPAL AUTHORITY." A PUBLIC AUTHORITY CREATED UNDER 53
8 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES) OR UNDER THE
9 FORMER ACT OF MAY 2, 1945 (P.L.382, NO.164), KNOWN AS THE
10 MUNICIPALITY AUTHORITIES ACT OF 1945.

11 "OBLIGEE OF THE AUTHORITY." ANY OF THE FOLLOWING:

12 (1) A HOLDER OR OWNER OF BONDS OF THE COMMONWEALTH
13 FINANCING AUTHORITY.

14 (2) A TRUSTEE OR OTHER FIDUCIARY FOR ANY HOLDER OR OWNER
15 OF BONDS OF THE COMMONWEALTH FINANCING AUTHORITY.

16 (3) A PROVIDER OF A LETTER OF CREDIT, POLICY OF
17 MUNICIPAL BOND INSURANCE OR OTHER CREDIT ENHANCEMENT OR
18 LIQUIDITY FACILITY FOR BONDS OF THE COMMONWEALTH FINANCING
19 AUTHORITY.

20 (4) A LESSOR OR INSTALLMENT SELLER DEMISING PROPERTY TO
21 THE COMMONWEALTH FINANCING AUTHORITY IN CONNECTION WITH A
22 PROJECT.

23 (5) A PROVIDER OF AN INTEREST RATE MANAGEMENT AGREEMENT
24 OR OTHER AGREEMENT OR ARRANGEMENT AUTHORIZED UNDER SECTION
25 1513(A)(28) (RELATING TO POWERS).

26 "PENNSYLVANIA-RELATED COMPANY." AN ENTITY WITH OPERATIONS
27 LOCATED IN THIS COMMONWEALTH OR AN ENTITY WILLING TO LOCATE
28 SIGNIFICANT BUSINESS OPERATIONS IN THIS COMMONWEALTH.

29 "PRIVATE DEVELOPER." A PERSON THAT IS ALL OF THE FOLLOWING:

30 (1) ENGAGED IN THE DEVELOPMENT OF REAL ESTATE.

1 (2) DETERMINED BY THE COMMONWEALTH FINANCING AUTHORITY
2 TO BE FINANCIALLY RESPONSIBLE TO ASSUME ALL OBLIGATIONS
3 PROPOSED TO BE UNDERTAKEN.

4 "PRODUCTION AGRICULTURE." THE MANAGEMENT AND USE OF FARMING
5 RESOURCES FOR ANY OF THE FOLLOWING:

6 (1) THE PRODUCTION OF:

7 (I) AGRICULTURAL, HORTICULTURAL, AQUACULTURAL,
8 VEGETABLE, FRUIT AND FLORICULTURAL PRODUCTS OF THE SOIL;

9 (II) LIVESTOCK OR LIVESTOCK PRODUCTS;

10 (III) MILK OR DAIRY PRODUCTS; OR

11 (IV) POULTRY OR POULTRY PRODUCTS.

12 (2) PRACTICES APPROVED BY THE DEPARTMENT OF AGRICULTURE.

13 "PROJECT." AN ACTIVITY WHICH PROMOTES ECONOMIC DEVELOPMENT
14 OR OPPORTUNITIES WITHIN THIS COMMONWEALTH. THE TERM SHALL NOT
15 INCLUDE ACTIVITIES CONDUCTED BY A FOR-PROFIT ENTITY DIRECTLY OR
16 INDIRECTLY RELATED TO GAMING.

17 "PROJECT USER." A PERSON, POLITICAL SUBDIVISION, MUNICIPAL
18 AUTHORITY, COMMONWEALTH AGENCY OR OTHER ENTITY THAT OWNS, LEASES
19 OR USES ALL OR ANY PART OF A PROJECT.

20 "REDEVELOPMENT AUTHORITY." AN ENTITY CREATED UNDER THE ACT
21 OF MAY 24, 1945 (P.L.991, NO.385), KNOWN AS THE URBAN
22 REDEVELOPMENT LAW.

23 "SECRETARY." THE SECRETARY OF COMMUNITY AND ECONOMIC
24 DEVELOPMENT OF THE COMMONWEALTH.

25 "SUPERMARKET." A RETAIL STORE OPERATED ON A SELF-SERVICE
26 BASIS, PRIMARILY SELLING GROCERIES, FRESH PRODUCE, MEAT, BAKERY
27 AND DAIRY PRODUCTS. THE TERM DOES NOT INCLUDE A CONVENIENCE
28 STORE.

29 "TAXABLE BONDS." BONDS OR OTHER EVIDENCE OF INDEBTEDNESS,
30 THE INTEREST ON WHICH IS INCLUDABLE IN GROSS INCOME FOR FEDERAL

1 INCOME TAXATION PURPOSES.

2 "TAX-EXEMPT BONDS." BONDS OR OTHER EVIDENCE OF INDEBTEDNESS,
3 THE INTEREST ON WHICH IS EXCLUDABLE FROM GROSS INCOME FOR
4 FEDERAL INCOME TAXATION PURPOSES.

5 "TAX INCREMENT DISTRICT." AS DEFINED IN THE ACT OF JULY 11,
6 1990 (P.L.465, NO.113), KNOWN AS THE TAX INCREMENT FINANCING
7 ACT.

8 "TOURISM." AN ACTIVITY WHICH PROMOTES OR ENCOURAGES
9 INDIVIDUALS TO TRAVEL TO A LOCATION WITHIN THIS COMMONWEALTH FOR
10 PLEASURE.

11 "VENTURE CAPITAL PARTNERSHIP." AN ENTITY WHOSE PURPOSE IS TO
12 MAKE INVESTMENTS IN COMPANIES AND IS FORMED AS A LIMITED
13 PARTNERSHIP, LIMITED LIABILITY COMPANY OR COMPARABLE INVESTMENT
14 ENTITY.

15 SUBCHAPTER B

16 STRUCTURE AND POWERS

17 SEC.

18 1511. AUTHORITY.

19 1512. BOARD.

20 1513. POWERS.

21 1514. LIMITATION.

22 § 1511. AUTHORITY.

23 (A) ESTABLISHMENT.--THERE IS ESTABLISHED AN INDEPENDENT
24 AUTHORITY TO BE KNOWN AS THE COMMONWEALTH FINANCING AUTHORITY.
25 THE AUTHORITY SHALL BE AN INSTRUMENTALITY OF THE COMMONWEALTH
26 AND A BODY CORPORATE AND POLITIC, WITH CORPORATE SUCCESSION.

27 (B) GOVERNANCE.--THE AUTHORITY SHALL BE GOVERNED BY THE
28 BOARD. THE POWERS OF THE AUTHORITY SHALL BE EXERCISED BY THE
29 BOARD.

30 (C) EXPENSES.--EXPENSES OF THE AUTHORITY SHALL BE PAID FROM

1 ASSETS OR INCOME OF THE AUTHORITY. EXCEPT AS PROVIDED IN THIS
2 CHAPTER OR BY OTHER LAW, THE COMMONWEALTH SHALL NOT BE
3 RESPONSIBLE FOR FUNDING THE EXPENSES OF THE AUTHORITY.

4 (D) FISCAL YEAR.--THE FISCAL YEAR OF THE AUTHORITY SHALL BE
5 THE SAME AS THE FISCAL YEAR OF THE COMMONWEALTH.

6 (E) AUDIT.--

7 (1) THE ACCOUNTS AND BOOKS OF THE AUTHORITY SHALL BE
8 EXAMINED AND AUDITED ANNUALLY BY AN INDEPENDENT CERTIFIED
9 PUBLIC ACCOUNTING FIRM.

10 (2) THE AUTHORITY SHALL, BY DECEMBER 31 OF EACH YEAR,
11 FILE A COPY OF THE AUDIT REQUIRED BY PARAGRAPH (1) WITH THE
12 SECRETARY OF THE SENATE AND THE CHIEF CLERK OF THE HOUSE OF
13 REPRESENTATIVES.

14 (F) REPORTS.--(RESERVED).

15 (G) PUBLICATION.--THE AUTHORITY SHALL ANNUALLY PUBLISH A
16 CONCISE FINANCIAL STATEMENT IN THE PENNSYLVANIA BULLETIN.

17 (H) COOPERATION.--EXECUTIVE AGENCIES SHALL COOPERATE WITH
18 AND PROVIDE ASSISTANCE TO THE AUTHORITY WITHOUT FINANCIAL
19 REIMBURSEMENT.

20 (I) EXISTENCE AND DISSOLUTION.--

21 (1) THE AUTHORITY SHALL EXIST UNTIL TERMINATED BY LAW.

22 (2) THE AUTHORITY MAY BE DISSOLVED BY LAW IF ALL
23 OUTSTANDING LIABILITIES OF THE AUTHORITY, INCLUDING BONDS AND
24 OTHER CONTRACTUAL OBLIGATIONS, HAVE BEEN FULLY PAID, RETIRED,
25 SATISFIED OR DISCHARGED, OR PROVISION HAS BEEN MADE FOR
26 PAYMENT OF ALL OUTSTANDING LIABILITIES OF THE AUTHORITY,
27 INCLUDING BONDS AND OTHER CONTRACTUAL OBLIGATIONS. UPON THE
28 DISSOLUTION OF THE AUTHORITY, ALL FUNDS, ASSETS AND OTHER
29 PROPERTY OF THE AUTHORITY SHALL VEST IN THE COMMONWEALTH.

30 (J) APPLICABILITY.--THE FOLLOWING ACTS SHALL APPLY TO THE

1 AUTHORITY AND THE BOARD:

2 (1) THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED
3 TO AS THE RIGHT-TO-KNOW LAW.

4 (2) THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN
5 AS THE STATE ADVERSE INTEREST ACT.

6 (3) THE PROVISIONS OF 65 PA.C.S. CHS. 7 (RELATING TO
7 OPEN MEETINGS) AND 11 (RELATING TO ETHICS STANDARDS AND
8 FINANCIAL DISCLOSURE).

9 § 1512. BOARD.

10 (A) COMPOSITION.--THE BOARD SHALL BE COMPOSED OF THE
11 FOLLOWING MEMBERS:

12 (1) THE SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT
13 OR A DESIGNEE.

14 (2) THE SECRETARY OF THE BUDGET OR A DESIGNEE.

15 (3) THE SECRETARY OF BANKING OR A DESIGNEE.

16 (4) FOUR LEGISLATIVE APPOINTEES.

17 (I) APPOINTMENTS ARE AS FOLLOWS:

18 (A) ONE INDIVIDUAL APPOINTED BY THE PRESIDENT
19 PRO TEMPORE OF THE SENATE.

20 (B) ONE INDIVIDUAL APPOINTED BY THE MINORITY
21 LEADER OF THE SENATE.

22 (C) ONE INDIVIDUAL APPOINTED BY THE SPEAKER OF
23 THE HOUSE OF REPRESENTATIVES.

24 (D) ONE INDIVIDUAL APPOINTED BY THE MINORITY
25 LEADER OF THE HOUSE OF REPRESENTATIVES.

26 (II) LEGISLATIVE APPOINTEES SHALL SERVE AT THE
27 PLEASURE OF THE APPOINTING AUTHORITY.

28 (III) IF THE INDIVIDUAL APPOINTED TO THE BOARD
29 PURSUANT TO SUBPARAGRAPH (I) IS A MEMBER OF THE GENERAL
30 ASSEMBLY, THE INDIVIDUAL MAY NAME A DESIGNEE.

1 (B) ORGANIZATION.--THE GOVERNOR SHALL SELECT A MEMBER OF THE
2 BOARD TO SERVE AS CHAIRPERSON. THE MEMBERS SHALL SELECT FROM
3 AMONG THEMSELVES SUCH OFFICERS AS THEY SHALL DETERMINE.

4 (C) MEETINGS.--THE BOARD SHALL MEET AT THE CALL OF THE
5 CHAIRPERSON.

6 (D) QUORUM.--SIX MEMBERS OF THE BOARD SHALL CONSTITUTE A
7 QUORUM. THE CONSENT OF AT LEAST SIX MEMBERS OF THE BOARD SHALL
8 BE NECESSARY TO TAKE ANY ACTION ON BEHALF OF THE AUTHORITY.

9 (E) COMPENSATION.--THE MEMBERS OF THE BOARD SHALL BE
10 ENTITLED TO NO COMPENSATION FOR THEIR SERVICES AS MEMBERS OF THE
11 BOARD BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR ALL NECESSARY
12 AND REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE
13 PERFORMANCE OF THEIR DUTIES AS MEMBERS OF THE BOARD.

14 (F) FIDUCIARY RELATIONSHIP.--THE MEMBERS OF THE BOARD AND
15 THE PROFESSIONAL PERSONNEL OF THE BOARD SHALL STAND IN A
16 FIDUCIARY RELATIONSHIP WITH THE COMMONWEALTH AND THE AUTHORITY
17 AS TO THE MONEYS IN THE FUND, MONEYS IN THE ACCOUNTS OF THE
18 AUTHORITY AND INVESTMENTS OF THE AUTHORITY.

19 (G) STANDARD OF CARE.--THE MEMBERS OF THE BOARD IN
20 PERFORMANCE OF THEIR DUTIES UNDER THIS CHAPTER SHALL EXERCISE
21 THE STANDARD OF CARE REQUIRED BY 20 PA.C.S. CH. 73 (RELATING TO
22 MUNICIPALITIES INVESTMENTS).

23 (H) LIABILITY.--MEMBERS OF THE BOARD SHALL NOT BE LIABLE
24 PERSONALLY ON ANY OBLIGATIONS OF THE AUTHORITY, INCLUDING BONDS
25 OF THE AUTHORITY.

26 § 1513. POWERS.

27 (A) POWERS.--THE AUTHORITY MAY DO ALL OF THE FOLLOWING:

28 (1) ADOPT BYLAWS AND GUIDELINES AS NECESSARY.

29 (2) SUE AND BE SUED, IMPLEAD AND BE IMPLEADED,
30 INTERPLEAD, COMPLAIN AND DEFEND IN ANY COURT.

1 (3) ADOPT, USE AND ALTER A CORPORATE SEAL.

2 (4) ESTABLISH ACCOUNTS NECESSARY OR DESIRABLE FOR ITS
3 CORPORATE PURPOSES.

4 (5) EMPLOY AN EXECUTIVE DIRECTOR AND OTHER PERSONS AS
5 ARE NECESSARY OR CONVENIENT FOR CARRYING ON THE BUSINESS OF
6 THE AUTHORITY.

7 (6) RETAIN ATTORNEYS, ACCOUNTANTS, AUDITORS AND
8 FINANCIAL EXPERTS, TO RENDER SERVICES AND ENGAGE THE SERVICES
9 OF OTHER ADVISORS, CONSULTANTS AND AGENTS AS NECESSARY. FOR
10 THE PURPOSES OF THIS PARAGRAPH, THE AUTHORITY SHALL BE
11 CONSIDERED AN INDEPENDENT AGENCY FOR PURPOSES OF THE ACT OF
12 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH
13 ATTORNEYS ACT.

14 (7) PAY OR SATISFY OBLIGATIONS OF THE AUTHORITY.

15 (8) CONTRACT AND EXECUTE INSTRUMENTS, INCLUDING
16 FINANCING AGREEMENTS, LETTERS OF CREDIT, GUARANTEES,
17 SURETIES, MORTGAGES, LOANS, STANDBY LOAN COMMITMENTS AND
18 CONTRACTS OF INSURANCE, WHICH ARE NECESSARY OR APPROPRIATE
19 FOR CARRYING ON THE BUSINESS OF THE AUTHORITY. THIS POWER
20 INCLUDES THE ABILITY TO MAKE AND EXECUTE CONTRACTS FOR THE
21 SERVICING OF LOANS AND MORTGAGES ACQUIRED BY THE AUTHORITY.

22 (9) BORROW MONEY, ISSUE BONDS, OBTAIN LINES AND LETTERS
23 OF CREDIT AND INCUR DEBT.

24 (10) PLEDGE THE CREDIT OF THE AUTHORITY AND PROVIDE
25 SECURITY AND LIQUIDITY TO OBLIGEEES OF THE AUTHORITY AS THE
26 AUTHORITY DEEMS NECESSARY OR APPROPRIATE.

27 (11) USE OR PLEDGE AN ACCOUNT FOR A SPECIAL PURPOSE,
28 INCLUDING DEBT SERVICE RESERVES AND OTHER RESERVES, AS MAY BE
29 NECESSARY OR DESIRABLE TO CARRY OUT ITS POWERS AND DUTIES.

30 (12) NEGOTIATE MODIFICATIONS OR ALTERATIONS IN MORTGAGES

1 OR SECURITY INTERESTS.

2 (13) FORECLOSE ON A MORTGAGE OR SECURITY INTEREST IN
3 DEFAULT.

4 (14) COMMENCE ANY ACTION NECESSARY TO PROTECT OR ENFORCE
5 ANY RIGHT CONFERRED UPON THE AUTHORITY BY LAW, MORTGAGE,
6 SECURITY AGREEMENT, CONTRACT OR OTHER AGREEMENT.

7 (15) BID FOR OR PURCHASE PROPERTY WHICH WAS THE SUBJECT
8 OF A MORTGAGE OR SECURITY INTEREST AT A FORECLOSURE OR OTHER
9 SALE AND ACQUIRE AND TAKE POSSESSION OF THAT PROPERTY.

10 (16) IMPOSE AND COLLECT FEES AND CHARGES IN CONNECTION
11 WITH LOAN COMMITMENTS AND SERVICING, INCLUDING REIMBURSEMENT
12 OF COSTS OF FINANCING.

13 (17) ACQUIRE, ACCEPT, PURCHASE, RECEIVE, COLLECT, HOLD,
14 CONVEY AND INVEST FUNDS, FEES AND PROPERTY, WHETHER TANGIBLE
15 OR INTANGIBLE, FROM ALL SOURCES, DIRECTLY OR BY ASSIGNMENT,
16 PLEDGE OR OTHERWISE.

17 (18) SELL, TRANSFER, CONVEY AND DISPOSE OF ANY PROPERTY,
18 WHETHER TANGIBLE OR INTANGIBLE.

19 (19) ACQUIRE AND SELL LOANS, MORTGAGES AND SECURITY
20 INTERESTS AT PUBLIC OR PRIVATE SALE.

21 (20) PROVIDE FINANCIAL ASSISTANCE TO APPLICANTS AND
22 PROJECT USERS.

23 (21) AGREE TO AND COMPLY WITH CONDITIONS ATTACHED TO
24 FEDERAL OR COMMONWEALTH ASSISTANCE NOT INCONSISTENT WITH THE
25 PROVISIONS OF THIS CHAPTER.

26 (22) MAKE RULES REGARDING THE OPERATION OF PROPERTIES
27 AND FACILITIES OF THE AUTHORITY SUBJECT TO AGREEMENTS WITH
28 OBLIGEEES OF THE AUTHORITY.

29 (23) DEVELOP, ADOPT AND IMPLEMENT BINDING POLICIES OR
30 GUIDELINES ASSURING ALL OF THE FOLLOWING:

1 (I) ALL PERSONS ARE ACCORDED EQUAL OPPORTUNITY IN
2 EMPLOYMENT AND CONTRACTING ASSOCIATED WITH THE PROGRAMS
3 ESTABLISHED UNDER SUBCHAPTER E (RELATING TO PROGRAMS).
4 THIS PARAGRAPH INCLUDES THE AUTHORITY'S CONTRACTORS,
5 SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS, VENDORS AND
6 SUPPLIERS.

7 (II) CONTRACTING PARTIES DEMONSTRATE DIVERSITY IN
8 OWNERSHIP OF EQUITY INTERESTS.

9 (24) EXERCISE RIGHTS PROVIDED BY LAW FOR THE BENEFIT OR
10 PROTECTION OF THE AUTHORITY OR OBLIGEES OF THE AUTHORITY.

11 (25) INVEST MONEY OF THE AUTHORITY NOT REQUIRED FOR
12 IMMEDIATE USE, INCLUDING PROCEEDS FROM THE SALE OF BONDS, AS
13 THE BOARD DETERMINES, SUBJECT TO ANY AGREEMENT WITH
14 BONDHOLDERS STATED IN THE AUTHORIZING RESOLUTION PROVIDING
15 FOR THE ISSUANCE OF BONDS.

16 (26) PROCURE INSURANCE AGAINST ANY LOSS IN CONNECTION
17 WITH ITS PROGRAMS, PROPERTY AND OTHER ASSETS.

18 (27) PROMULGATE REGULATIONS AND ADOPT GUIDELINES AND
19 STATEMENTS OF POLICY CONTAINING RESTRICTIONS AS IT MAY DEEM
20 NECESSARY AND APPROPRIATE TO EFFECTUATE THE PUBLIC PURPOSES
21 OF THIS CHAPTER.

22 (28) NEGOTIATE AND ENTER INTO INTEREST RATE EXCHANGE
23 AGREEMENTS, INTEREST RATE CAP AGREEMENTS, COLLAR AGREEMENTS,
24 CORRIDOR AGREEMENTS, CEILING AGREEMENTS, FLOOR AGREEMENTS,
25 FORWARD AGREEMENTS, FLOAT AGREEMENTS AND OTHER SIMILAR
26 ARRANGEMENTS, WHICH, IN THE JUDGMENT OF THE AUTHORITY, WILL
27 ASSIST THE AUTHORITY IN MANAGING THE INTEREST COSTS OF THE
28 AUTHORITY.

29 (29) ENTER INTO AGREEMENTS WITH APPLICANTS AND PROJECT
30 USERS PROVIDING, AMONG OTHER THINGS, FOR ANY OF THE

1 FOLLOWING:

2 (I) FINANCIAL ASSISTANCE.

3 (II) LOAN, RENTAL OR PURCHASE PRICE PAYMENTS OR
4 OTHER PAYMENTS, SUFFICIENT TO AMORTIZE THE PRINCIPAL,
5 INTEREST AND PREMIUM, IF ANY, OF BONDS AND CONTRACTUAL
6 OBLIGATIONS OF THE AUTHORITY INCURRED TO PROVIDE FUNDS TO
7 PAY THE COSTS OF THE PROJECTS BEING FINANCED.

8 (III) THE APPLICANTS OR PROJECT USERS TO PAY OR
9 CAUSE TO BE PAID ALL OTHER COSTS OF ACQUIRING,
10 CONSTRUCTING, MAINTAINING AND OPERATING THE PROJECTS
11 BEING FINANCED.

12 (IV) CONVEYANCE WITH OR WITHOUT CONSIDERATION OF ANY
13 PART OR ALL OF A PROJECT BEING FINANCED TO THE PROJECT
14 USER OR APPLICANT ON OR BEFORE PAYMENT OF ALL BONDS AND
15 CONTRACTUAL OBLIGATIONS OF THE AUTHORITY INCURRED WITH
16 RESPECT TO THE PROJECT.

17 (V) OTHER MATTERS AS ARE CUSTOMARY OR AS ARE DEEMED
18 NECESSARY AND APPROPRIATE BY THE AUTHORITY.

19 (30) DO ANY APPROPRIATE ACT NECESSARY OR CONVENIENT TO:

20 (I) CARRY OUT AND EFFECTUATE THE PURPOSES OF THIS
21 CHAPTER; OR

22 (II) EXERCISE THE POWERS SET FORTH IN THIS
23 SUBSECTION, INCLUDING ANY ACT REASONABLY IMPLIED FROM
24 THOSE POWERS.

25 (B) DUTIES.--THE AUTHORITY SHALL DO ALL OF THE FOLLOWING:

26 (1) ADMINISTER THE PROGRAMS ESTABLISHED IN SUBCHAPTER E
27 IN ACCORDANCE WITH THIS CHAPTER.

28 (2) FUND THE PROGRAMS ESTABLISHED IN SUBCHAPTER E AND 12
29 PA.C.S. CH. 29 (RELATING TO MACHINERY AND EQUIPMENT LOANS)
30 SUBJECT TO SUBCHAPTER D (RELATING TO FUNDS, ACCOUNTS,

1 INDEBTEDNESS AND USE).

2 § 1514. LIMITATION.

3 EXCEPT UPON FORECLOSURE OR DEFAULT UNDER A LOAN MADE UNDER
4 THIS CHAPTER, THE BOARD MAY NOT APPROVE AN APPLICATION OR
5 FINANCE A PROJECT IF THE BOARD OR AUTHORITY WOULD BE REQUIRED TO
6 OPERATE, SERVICE OR MAINTAIN THE PROJECT UNDER A LEASE OR OTHER
7 AGREEMENT.

8 SUBCHAPTER C

9 BONDS

10 SEC.

11 1521. BONDS ISSUANCE.

12 1522. COMMONWEALTH TAXATION.

13 1523. FEDERAL TAXATION.

14 1524. VALIDITY OF BONDS; LIMITATION ON ACTIONS.

15 1525. PROVISIONS OF BONDS; TRUST AGREEMENTS.

16 1526. VALIDITY OF PLEDGE.

17 1527. COMMONWEALTH PLEDGES.

18 1528. BONDS TO BE LEGAL INVESTMENTS.

19 1529. BONDHOLDER RIGHTS.

20 § 1521. BONDS ISSUANCE.

21 (A) AUTHORIZATION.--THE AUTHORITY MAY ISSUE LIMITED
22 OBLIGATION REVENUE BONDS AND OTHER TYPES OF LIMITED OBLIGATION
23 REVENUE FINANCING. BONDS ISSUED AND FINANCING INCURRED PURSUANT
24 TO THIS SUBCHAPTER SHALL BE SUBJECT TO THE LIMITS SET FORTH IN
25 SECTION 1543 (RELATING TO INDEBTEDNESS) AND SHALL BE IN THE NAME
26 OF THE AUTHORITY. THE AUTHORITY MAY ISSUE BOTH TAX-EXEMPT BONDS
27 AND TAXABLE BONDS TO FUND THE PROGRAMS ESTABLISHED IN SUBCHAPTER
28 E (RELATING TO PROGRAMS).

29 (B) (RESERVED).

30 (C) AUTHORIZATION REQUIREMENTS.--

1 (1) BONDS OF THE AUTHORITY SHALL BE AUTHORIZED BY A
2 RESOLUTION OF THE BOARD.

3 (2) THE RESOLUTION OF THE BOARD AUTHORIZING AN ISSUANCE
4 OF BONDS SHALL PROVIDE THAT THE BONDS:

5 (I) BE OF A SERIES;

6 (II) BEAR A DATE OR DATES;

7 (III) BEAR OR ACCRUE INTEREST AT ANY RATE OR RATES,
8 WHETHER FIXED OR VARIABLE;

9 (IV) BE IN DENOMINATIONS;

10 (V) BE IN ANY FORM, EITHER COUPON OR FULLY
11 REGISTERED WITHOUT COUPONS OR IN CERTIFICATED OR BOOK-
12 ENTRY-ONLY FORM;

13 (VI) CARRY REGISTRATION, EXCHANGEABILITY AND
14 INTERCHANGEABILITY PRIVILEGES;

15 (VII) BE PAYABLE IN ANY MEDIUM OF PAYMENT AND AT ANY
16 PLACE OR PLACES;

17 (VIII) MATURE ON A DATE OR DATES NOT TO EXCEED 30
18 YEARS FROM THE BONDS' ORIGINAL ISSUE DATE; AND

19 (IX) BE SUBJECT TO TERMS OF REDEMPTION, IF ANY.

20 (3) BONDS SHALL BE SIGNED BY OR SHALL BEAR THE FACSIMILE
21 SIGNATURE OF THE OFFICER DESIGNATED BY THE BOARD.

22 (4) INTEREST COUPONS SHALL BE ATTACHED TO COUPON BONDS
23 AND SHALL BEAR THE FACSIMILE SIGNATURE OF THE OFFICER
24 DESIGNATED BY THE BOARD.

25 (5) BONDS MAY BE AUTHENTICATED BY AN AUTHENTICATING
26 AGENT, FISCAL AGENT OR TRUSTEE.

27 (6) BONDS MAY BE ISSUED AND DELIVERED NOTWITHSTANDING
28 THAT THE OFFICER SIGNING THE BONDS OR WHOSE FACSIMILE
29 SIGNATURE IS ON A COUPON HAS CEASED TO BE THE OFFICER AT THE
30 TIME WHEN BONDS ARE ACTUALLY DELIVERED.

1 (D) NO DEBT OR LIABILITY OF THE COMMONWEALTH.--

2 (1) BONDS ISSUED UNDER THIS CHAPTER SHALL NOT BE A DEBT
3 OR LIABILITY OF THE COMMONWEALTH AND SHALL NOT CREATE OR
4 CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE
5 COMMONWEALTH.

6 (2) BONDS SHALL BE PAYABLE SOLELY FROM REVENUES OF THE
7 AUTHORITY OR ACCOUNTS PLEDGED OR AVAILABLE FOR THEIR
8 REPAYMENT AS AUTHORIZED IN THIS CHAPTER WHICH MAY INCLUDE ANY
9 OF THE FOLLOWING:

10 (I) THE PROCEEDS OF BONDS.

11 (II) FUNDS APPROPRIATED TO THE AUTHORITY FOR
12 REPAYMENT AS AUTHORIZED IN THIS CHAPTER.

13 (III) IN THE CASE OF A PUBLIC PROJECT, THE PLEDGE OF
14 FEES, TAXES AND OTHER REVENUES BY A POLITICAL SUBDIVISION
15 OR OTHER INSTRUMENTALITY OF THE COMMONWEALTH.

16 (3) ALL BONDS SHALL CONTAIN ON THEIR FACES STATEMENTS TO
17 THE EFFECT THAT:

18 (I) THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL
19 OF OR THE INTEREST ON THE BONDS ONLY FROM ITS REVENUES,
20 RECEIPTS OR FUNDS PLEDGED OR AVAILABLE FOR THEIR PAYMENT
21 AS AUTHORIZED IN THIS CHAPTER;

22 (II) NEITHER THE COMMONWEALTH NOR ANY POLITICAL
23 SUBDIVISION IS OBLIGATED TO PAY THE PRINCIPAL OR
24 INTEREST; AND

25 (III) NEITHER THE FAITH AND CREDIT NOR THE TAXING
26 POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION IS
27 PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE
28 INTEREST ON THE BONDS.

29 (E) SALE.--

30 (1) BONDS MAY BE SOLD AT PUBLIC SALE, INVITED SALE OR

1 PRIVATE SALE FOR THE PRICE OR PRICES THE AUTHORITY
2 DETERMINES.

3 (2) THE AUTHORITY SHALL ENSURE THAT MINORITY-OWNED OR
4 MINORITY-CONTROLLED FIRMS HAVE AN OPPORTUNITY TO PARTICIPATE
5 IN A SIGNIFICANT WAY IN BONDS SALE ACTIVITIES.

6 (F) INTERIM RECEIPTS.--PENDING THE PREPARATION OF THE
7 DEFINITIVE BONDS, INTERIM RECEIPTS MAY BE ISSUED TO THE
8 PURCHASER OR PURCHASERS OF THE BONDS AND SHALL CONTAIN THE TERMS
9 AND CONDITIONS ESTABLISHED BY THE AUTHORITY.

10 (G) NEGOTIABLE INSTRUMENTS.--BONDS OF THE AUTHORITY SHALL
11 HAVE THE QUALITIES OF NEGOTIABLE INSTRUMENTS UNDER 13 PA.C.S.
12 (RELATING TO COMMERCIAL CODE).

13 (H) USE.--THE AUTHORITY MAY, AS IT DEEMS NECESSARY AND
14 DESIRABLE, USE THE PROCEEDS OF BONDS ISSUED FOR ANY OF THE
15 FOLLOWING:

16 (1) MAKING LOANS, GRANTS OR GUARANTEES FOR COSTS OF
17 PROJECTS.

18 (2) PURCHASING LOANS, MORTGAGES, SECURITY INTERESTS OR
19 LOAN PARTICIPATIONS.

20 (3) PAYING INCIDENTAL EXPENSES IN CONNECTION WITH
21 ACTIVITY UNDER PARAGRAPHS (1) AND (2), INCLUDING
22 ADMINISTRATIVE COSTS OF THE AUTHORITY AND THE DEPARTMENT.

23 (4) PAYING EXPENSES OF AUTHORIZING AND ISSUING THE
24 BONDS.

25 (5) PAYING PRINCIPAL INTEREST ON BONDS.

26 (6) FUNDING RESERVES.

27 (I) REFUNDING.--SUBJECT TO PROVISIONS OF THIS CHAPTER AND
28 THE TERMS OF BONDS OR OTHER CONTRACTUAL OBLIGATIONS ISSUED IN
29 ACCORDANCE WITH THIS CHAPTER, THE AUTHORITY MAY REFUND ANY
30 OUTSTANDING DEBT OF THE AUTHORITY, WHETHER THE DEBT REPRESENTS

1 PRINCIPAL OR INTEREST, IN WHOLE OR IN PART, AT ANY TIME. FOR THE
2 PURPOSES OF THIS SUBSECTION, THE TERM "REFUND" AND ITS
3 VARIATIONS MEANS THE ISSUANCE AND SALE OF OBLIGATIONS THE
4 PROCEEDS OF WHICH ARE USED OR ARE TO BE USED FOR THE PAYMENT OR
5 REDEMPTION OF OUTSTANDING OBLIGATIONS UPON OR PRIOR TO MATURITY.
6 § 1522. COMMONWEALTH TAXATION.

7 (A) GENERAL.--THE EFFECTUATION OF THE PURPOSES OF THE
8 AUTHORITY IS FOR THE BENEFIT OF THE PEOPLE OF THIS COMMONWEALTH;
9 FOR THE INCREASE OF COMMERCE AND PROSPERITY; AND FOR THE
10 IMPROVEMENT OF HEALTH, SAFETY, WELFARE AND LIVING CONDITIONS.

11 (B) AUTHORITY.--SINCE THE AUTHORITY, AS A PUBLIC
12 INSTRUMENTALITY OF THE COMMONWEALTH, WILL BE PERFORMING
13 ESSENTIAL GOVERNMENTAL FUNCTIONS IN EFFECTUATING THESE PURPOSES,
14 THE AUTHORITY IS NOT REQUIRED TO PAY ANY TAXES OR ASSESSMENTS
15 UPON ANY PROPERTY ACQUIRED OR USED OR PERMITTED TO BE USED BY
16 THE AUTHORITY FOR ITS PURPOSES.

17 (C) BONDS.--BONDS ISSUED BY THE AUTHORITY, THE TRANSFER AND
18 THE INCOME FROM THE BONDS, INCLUDING PROFIT MADE ON THEIR SALE,
19 ARE FREE FROM STATE AND LOCAL TAXATION WITHIN THIS COMMONWEALTH.
20 THE EXCLUSION UNDER THIS SUBSECTION SHALL NOT EXTEND TO GIFT,
21 ESTATE, SUCCESSION OR INHERITANCE TAXES OR ANY OTHER TAXES NOT
22 LEVIED DIRECTLY ON THE BONDS, THEIR TRANSFER, THE INCOME FROM
23 THE BONDS OR THE REALIZATION OF PROFITS ON THEIR SALE.

24 § 1523. FEDERAL TAXATION.

25 (A) ALLOCATION.--IF THE BONDS ISSUED BY THE AUTHORITY FOR A
26 PROJECT ARE TAX-EXEMPT BONDS FOR WHICH FEDERAL LAW REQUIRES AN
27 ALLOCATION, THE DEPARTMENT MAY ISSUE AN ALLOCATION UPON RECEIPT
28 OF A WRITTEN REQUEST BY THE BOARD. AN ALLOCATION MUST BE ISSUED
29 BY THE DEPARTMENT PRIOR TO THE APPROVAL OF THE RESOLUTION
30 AUTHORIZING THE ISSUANCE OF THE BONDS BY THE BOARD.

1 (B) APPROVAL.--IF GUBERNATORIAL APPROVAL IS REQUIRED BY
2 FEDERAL OR COMMONWEALTH LAW, THE GOVERNOR MAY APPROVE THE
3 ISSUANCE OF BONDS BY THE AUTHORITY UPON RECEIPT OF WRITTEN
4 REQUEST FOR APPROVAL FROM THE BOARD. THE WRITTEN REQUEST MUST
5 STATE ALL OF THE FOLLOWING:

6 (1) THE AUTHORITY HAS CONDUCTED A PUBLIC HEARING, WITH
7 APPROPRIATE PUBLIC NOTICE, CONCERNING THE PURPOSES FOR WHICH
8 THE BONDS ARE TO BE ISSUED.

9 (2) A DESCRIPTION OF THE PROJECT OR PROJECTS TO BE
10 FINANCED.

11 (3) A DESCRIPTION OF THE METHOD OF FINANCING THE PROJECT
12 OR PROJECTS.

13 (4) A SUMMARY OF THE COMMENTS MADE AND QUESTIONS POSED
14 AT THE PUBLIC HEARING.

15 § 1524. VALIDITY OF BONDS; LIMITATION ON ACTIONS.

16 (A) PRESUMPTION.--BONDS RECITING IN SUBSTANCE THAT THEY HAVE
17 BEEN ISSUED BY THE AUTHORITY TO ACCOMPLISH THE PUBLIC PURPOSES
18 OF THIS CHAPTER SHALL BE CONCLUSIVELY DEEMED IN ANY SUIT, ACTION
19 OR PROCEEDING INVOLVING THE VALIDITY OR ENFORCEABILITY OF THE
20 BONDS OR THEIR SECURITY TO HAVE BEEN ISSUED FOR THE PUBLIC
21 PURPOSES OF THIS CHAPTER.

22 (B) ESTOPPEL.--AFTER ISSUANCE, BONDS SHALL BE CONCLUSIVELY
23 PRESUMED TO BE FULLY AUTHORIZED AND ISSUED UNDER THE LAWS OF
24 THIS COMMONWEALTH; AND ANY PERSON SHALL BE ESTOPPED FROM
25 QUESTIONING THEIR VALIDITY, SALE, EXECUTION OR DELIVERY BY THE
26 AUTHORITY.

27 § 1525. PROVISIONS OF BONDS; TRUST AGREEMENTS.

28 A RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS OR ANY TRUST
29 AGREEMENT APPROVED IN A RESOLUTION AUTHORIZING THE ISSUANCE OF
30 BONDS MAY CONTAIN PROVISIONS WHICH DO ANY OF THE FOLLOWING:

1 (1) SECURE THE BONDS.

2 (2) COVENANT AGAINST ANY OF THE FOLLOWING:

3 (I) PLEDGING OR GRANTING A SECURITY INTEREST IN ALL
4 OR ANY PART OF THE AUTHORITY'S REVENUES OR ALL OR ANY
5 PART OF ITS PROPERTY TO WHICH ITS RIGHT OR TITLE EXISTS
6 OR WHICH MAY LATER COME INTO EXISTENCE.

7 (II) PERMITTING OR SUFFERING ANY LIEN ON ALL OR ANY
8 PART OF ITS REVENUES OR PROPERTY.

9 (III) EXTENDING THE TIME FOR THE PAYMENT OF BONDS OR
10 INTEREST.

11 (3) COVENANT WITH RESPECT TO LIMITING THE AUTHORITY'S
12 RIGHT TO SELL, PLEDGE OR OTHERWISE DISPOSE OF BONDS OR NOTES
13 OF GOVERNMENTAL UNITS, LOAN AGREEMENTS OR OTHER PROPERTY.

14 (4) COVENANT AS TO ANY OF THE FOLLOWING:

15 (I) ADDITIONAL BONDS TO BE ISSUED.

16 (II) LIMITATIONS ON ADDITIONAL BONDS.

17 (III) TERMS AND CONDITIONS OF ADDITIONAL BONDS.

18 (IV) CUSTODY, APPLICATION, INVESTMENT AND
19 DISPOSITION OF PROCEEDS OF BONDS.

20 (V) INCURRING OF OTHER DEBTS OR OBLIGATIONS BY THE
21 AUTHORITY.

22 (VI) PAYMENT OF PRINCIPAL OF OR INTEREST ON BONDS.

23 (VII) SOURCES AND METHODS OF PAYMENT.

24 (VIII) RANK OR PRIORITY OF BONDS WITH RESPECT TO
25 LIENS OR SECURITY INTERESTS.

26 (IX) REDEMPTION, PURCHASE AND TENDER OF BONDS BY THE
27 AUTHORITY OR THE BONDHOLDERS AND THE PRIVILEGE OF
28 EXCHANGE OF THE BONDS FOR OTHER BONDS.

29 (X) USE, INVESTMENT AND DISPOSITION OF THE MONEY
30 HELD IN SPECIAL FUNDS, ACCOUNTS OR RESERVES.

1 (XI) USE OF ANY OR ALL OF THE AUTHORITY'S REAL OR
2 PERSONAL PROPERTY.

3 (XII) WARRANT OF TITLE TO THE AUTHORITY'S REAL OR
4 PERSONAL PROPERTY.

5 (5) PROVIDE FOR ANY OF THE FOLLOWING:

6 (I) REPLACEMENT OF LOST, STOLEN, DESTROYED OR
7 MUTILATED BONDS.

8 (II) MAINTENANCE OF THE AUTHORITY'S REAL AND
9 PERSONAL PROPERTY.

10 (III) REPLACEMENT OF THE AUTHORITY'S REAL AND
11 PERSONAL PROPERTY.

12 (IV) INSURANCE TO BE CARRIED ON THE AUTHORITY'S REAL
13 AND PERSONAL PROPERTY AND THE USE AND DISPOSITION OF THE
14 INSURANCE PROCEEDS.

15 (V) RIGHTS, LIABILITIES, POWERS AND DUTIES ARISING
16 UPON THE BREACH OF ANY COVENANT, CONDITION OR OBLIGATION.

17 (6) CREATE OR AUTHORIZE THE CREATION OF SPECIAL FUNDS OR
18 ACCOUNTS TO BE HELD IN TRUST OR OTHERWISE FOR THE BENEFIT OF
19 BONDHOLDERS OR OF RESERVES FOR DEBT SERVICE OR OTHER
20 PURPOSES.

21 (7) OBTAIN LETTERS OF CREDIT, BOND INSURANCE AND OTHER
22 FACILITIES FOR CREDIT ENHANCEMENT AND LIQUIDITY.

23 (8) PRESCRIBE ANY OF THE FOLLOWING:

24 (I) PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY
25 CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED.

26 (II) PERCENTAGE OF THE PRINCIPAL AMOUNT OF BONDS THE
27 HOLDERS OF WHICH MUST CONSENT TO THE AMENDMENT OR
28 ABROGATION OF ANY CONTRACT.

29 (III) MANNER IN WHICH THE CONSENT UNDER SUBPARAGRAPH
30 (II) MAY BE GIVEN.

- 1 (9) PRESCRIBE ANY OF THE FOLLOWING:
- 2 (I) EVENTS OF DEFAULT.
- 3 (II) TERMS AND CONDITIONS UPON WHICH ANY OR ALL OF
- 4 THE BONDS BECOME OR MAY BE DECLARED DUE AND PAYABLE
- 5 BEFORE STATED MATURITY FOLLOWING AN EVENT OF DEFAULT.
- 6 (III) TERMS AND CONDITIONS UPON WHICH THE
- 7 DECLARATION OF DEFAULT AND ITS CONSEQUENCE MAY BE WAIVED.
- 8 (10) PAY THE COSTS OR EXPENSES INCIDENT TO ANY OF THE
- 9 FOLLOWING:
- 10 (I) THE ENFORCEMENT OF THE BONDS.
- 11 (II) THE PROVISIONS OF THE RESOLUTION AUTHORIZING
- 12 THE ISSUANCE OF THE BONDS.
- 13 (III) THE TRUST AGREEMENT SECURING THE BONDS.
- 14 (IV) ANY COVENANT OR AGREEMENT OF THE AUTHORITY WITH
- 15 THE HOLDERS OF THE BONDS OR OTHER OBLIGEEES OF THE
- 16 AUTHORITY.
- 17 (11) VEST IN A TRUSTEE, WITHIN OR WITHOUT THIS
- 18 COMMONWEALTH, ANY PROPERTY, RIGHTS, POWERS AND DUTIES IN
- 19 TRUST, INCLUDING RIGHTS WITH RESPECT TO THE SALE OR OTHER
- 20 DISPOSITION OF NOTES AND BONDS OF GOVERNMENTAL UNITS AND
- 21 OTHER INSTRUMENTS AND SECURITY PLEDGED UNDER A RESOLUTION OR
- 22 TRUST AGREEMENT FOR THE BENEFIT OF BONDHOLDERS AND RIGHTS, BY
- 23 SUIT OR ACTION, TO FORECLOSE A MORTGAGE PLEDGED UNDER A
- 24 RESOLUTION OR TRUST INDENTURE FOR THE BENEFIT OF BONDHOLDERS.
- 25 (12) LIMIT THE RIGHTS, POWERS AND DUTIES OF A TRUSTEE
- 26 AND THE RIGHT OF BONDHOLDERS TO APPOINT A TRUSTEE.
- 27 (13) ESTABLISH THE TERMS AND CONDITIONS UPON WHICH A
- 28 TRUSTEE OR THE BONDHOLDERS MAY ENFORCE A COVENANT OR RIGHTS
- 29 SECURING OR RELATING TO THE BONDS.
- 30 (14) EXERCISE ALL OR ANY PART OR COMBINATION OF THE

1 POWERS GRANTED IN THIS CHAPTER.

2 (15) MAKE COVENANTS OTHER THAN AND IN ADDITION TO THE
3 COVENANTS EXPRESSLY AUTHORIZED BY THIS CHAPTER.

4 (16) DO OR REFRAIN FROM DOING ANY OTHER ACT AND THING
5 NECESSARY, CONVENIENT OR DESIRABLE IN ORDER TO BETTER SECURE
6 THE BONDS OF THE AUTHORITY OR, IN THE ABSOLUTE DISCRETION OF
7 THE AUTHORITY, AS WILL TEND TO MAKE BONDS OF THE AUTHORITY
8 MORE MARKETABLE. THIS PARAGRAPH APPLIES NOTWITHSTANDING THAT
9 THE ACT OR THING MAY NOT BE SPECIFICALLY ENUMERATED IN THIS
10 CHAPTER AS LONG AS THE ACT OR THING IS IN ACCORDANCE WITH THE
11 INTENT OF THIS CHAPTER.

12 § 1526. VALIDITY OF PLEDGE.

13 A PLEDGE OF OR GRANT OF A SECURITY INTEREST IN REVENUES OR
14 INSTRUMENTS MADE BY THE AUTHORITY SHALL BE VALID AND BINDING
15 FROM THE TIME WHEN THE PLEDGE IS MADE. THE REVENUES, RECEIPTS,
16 MONEY, FUNDS OR OTHER PROPERTY OR INSTRUMENTS PLEDGED AND LATER
17 RECEIVED BY THE AUTHORITY SHALL IMMEDIATELY BE SUBJECT TO THE
18 LIEN OF THE PLEDGE OR SECURITY INTEREST WITHOUT ANY PHYSICAL
19 DELIVERY OF THE PROPERTY PLEDGED OR FURTHER ACT. THE LIEN OF THE
20 PLEDGE OR SECURITY INTEREST SHALL BE VALID AND BINDING AS
21 AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT
22 OR OTHERWISE AGAINST THE AUTHORITY IRRESPECTIVE OF WHETHER THE
23 PARTIES HAVE NOTICE OF THE LIEN, PLEDGE OR SECURITY INTEREST. NO
24 INSTRUMENT BY WHICH A PLEDGE OR SECURITY INTEREST IS CREATED,
25 EVIDENCED OR NOTICED NEED BE RECORDED OR FILED TO PERFECT THE
26 PLEDGE OR SECURITY INTEREST, EXCEPT IN THE RECORDS OF THE
27 AUTHORITY.

28 § 1527. COMMONWEALTH PLEDGES.

29 (A) BONDHOLDERS.--THE COMMONWEALTH PLEDGES TO AND AGREES
30 WITH EACH OBLIGEE OF THE AUTHORITY THAT THE COMMONWEALTH WILL

1 NOT LIMIT OR ALTER THE RIGHTS AND POWERS VESTED IN THE AUTHORITY
2 OR OTHERWISE CREATED BY THIS CHAPTER IN ANY MANNER INCONSISTENT
3 WITH THE OBLIGATIONS OF THE AUTHORITY TO ITS OBLIGEEES UNTIL ALL
4 BONDS AT ANY TIME ISSUED, TOGETHER WITH THE INTEREST ON THE
5 BONDS, ARE FULLY PAID AND DISCHARGED.

6 (B) LESSEES.--THE COMMONWEALTH PLEDGES AND AGREES WITH ANY
7 PERSON THAT, AS OWNER OF PROPERTY WHICH IS LEASED OR SUBLEASED
8 TO OR FROM THE AUTHORITY, IT WILL NOT LIMIT OR ALTER THE RIGHTS
9 AND POWERS VESTED IN THE AUTHORITY OR OTHERWISE CREATED BY THIS
10 CHAPTER IN ANY MANNER WHICH IMPAIRS THE OBLIGATIONS OF THE
11 AUTHORITY UNTIL ALL THE OBLIGATIONS OF THE AUTHORITY UNDER THE
12 LEASE OR SUBLEASE ARE FULLY MET AND DISCHARGED.

13 § 1528. BONDS TO BE LEGAL INVESTMENTS.

14 (A) INVESTMENTS.--BONDS ISSUED PURSUANT TO THIS CHAPTER ARE
15 MADE SECURITIES IN WHICH ALL OF THE FOLLOWING MAY PROPERLY AND
16 LEGALLY INVEST FUNDS, INCLUDING CAPITAL, DEPOSITS OR OTHER FUNDS
17 IN THEIR CONTROL OR BELONGING TO THEM:

18 (1) GOVERNMENT AGENCIES.

19 (2) INSURANCE COMPANIES.

20 (3) TRUST COMPANIES.

21 (4) BANKING ASSOCIATIONS, BANKING CORPORATIONS AND
22 SAVINGS BANKS.

23 (5) INVESTMENT COMPANIES.

24 (6) EXECUTORS, TRUSTEES AND OTHER FIDUCIARIES.

25 (7) TRUSTEES OF ANY RETIREMENT, PENSION OR ANNUITY FUND
26 OR SYSTEM OF THE COMMONWEALTH.

27 (B) DEPOSITS.--BONDS ISSUED BY THE AUTHORITY ARE MADE
28 SECURITIES WHICH MAY PROPERLY AND LEGALLY BE DEPOSITED WITH AND
29 RECEIVED BY A GOVERNMENT AGENCY FOR ANY PURPOSE FOR WHICH THE
30 DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF THE COMMONWEALTH ARE

1 AUTHORIZED BY LAW.

2 § 1529. BONDHOLDER RIGHTS.

3 THE RIGHTS AND REMEDIES CONFERRED UPON OR GRANTED TO
4 BONDHOLDERS PURSUANT TO THIS CHAPTER SHALL BE IN ADDITION TO AND
5 NOT IN LIMITATION OF RIGHTS AND REMEDIES LAWFULLY GRANTED TO
6 BONDHOLDERS BY THE RESOLUTION PROVIDING FOR THE ISSUANCE OF
7 BONDS OR BY ANY TRUST AGREEMENT OR OTHER AGREEMENT UNDER WHICH
8 THE BONDS MAY BE ISSUED OR SECURED.

9 SUBCHAPTER D

10 FUNDS, ACCOUNTS, INDEBTEDNESS AND USE

11 SEC.

12 1541. FUND.

13 1542. ACCOUNTS.

14 1543. INDEBTEDNESS.

15 1544. USE.

16 § 1541. FUND.

17 THERE IS ESTABLISHED A SPECIAL FUND TO BE KNOWN AS THE
18 COMMONWEALTH FINANCING FUND. THE STATE TREASURER SHALL BE THE
19 CUSTODIAN OF THE FUND, WHICH SHALL BE SUBJECT TO THE PROVISIONS
20 OF LAW APPLICABLE TO FUNDS LISTED IN SECTION 302 OF THE ACT OF
21 APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE. ANY
22 MONEY APPROPRIATED TO THE AUTHORITY SHALL BE CREDITED TO THE
23 FUND. UNLESS OTHERWISE SPECIFIED, ALL MONEY APPROPRIATED TO THE
24 AUTHORITY SHALL BE USED BY THE AUTHORITY TO PAY INDEBTEDNESS
25 INCURRED UNDER SECTION 1543(A) (RELATING TO INDEBTEDNESS). ALL
26 MONEY AND INVESTMENTS ON DEPOSIT IN OR CREDITED TO THE FUND
27 SHALL BE AT ALL TIMES PROPERTY OF THE AUTHORITY. THE STATE
28 TREASURER SHALL DISBURSE MONEY IN THE FUND TO THE AUTHORITY UPON
29 ORDER OF THE BOARD FOR USE IN ACCORDANCE WITH THIS CHAPTER.

30 § 1542. ACCOUNTS.

1 (A) ESTABLISHMENT.--THE AUTHORITY SHALL ESTABLISH A
2 REVOLVING ACCOUNT FOR EACH OF THE FOLLOWING PROGRAMS:

3 (1) THE BUSINESS IN OUR SITES PROGRAM ESTABLISHED IN
4 SECTION 1551 (RELATING TO BUSINESS IN OUR SITES PROGRAM).

5 (2) THE FIRST INDUSTRIES PROGRAM ESTABLISHED IN SECTION
6 1552 (RELATING TO FIRST INDUSTRIES PROGRAM).

7 (B) DEPOSITS.--ANY FUNDS RECEIVED BY THE AUTHORITY UNDER THE
8 BUSINESS IN OUR SITES PROGRAM SHALL BE DEPOSITED IN THE ACCOUNT
9 ESTABLISHED IN ACCORDANCE WITH SUBSECTION (A)(1). ANY FUNDS
10 RECEIVED BY THE AUTHORITY UNDER THE FIRST INDUSTRIES PROGRAM
11 SHALL BE DEPOSITED IN THE ACCOUNT ESTABLISHED IN ACCORDANCE WITH
12 SUBSECTION (A)(2).

13 § 1543. INDEBTEDNESS.

14 (A) GENERAL RULE.--SUBJECT TO THE LIMITATIONS OF SUBSECTION
15 (B), THE AUTHORITY MAY, IN ITS OWN NAME, INCUR INDEBTEDNESS,
16 INCLUDING THROUGH THE ISSUANCE OF BONDS, IN AN AMOUNT NECESSARY
17 TO FUND THE PROGRAM AS ESTABLISHED IN SUBCHAPTER E (RELATING TO
18 PROGRAMS) AND IN 12 PA.C.S. CH. 29 (RELATING TO MACHINERY AND
19 EQUIPMENT LOANS).

20 (B) PROGRAM LIMITATIONS.--INDEBTEDNESS INCURRED BY THE
21 AUTHORITY UNDER SUBSECTION (A) SHALL NOT, IN AGGREGATE, EXCEED
22 ANY OF THE FOLLOWING:

23 (1) \$300,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION
24 1551 (RELATING TO BUSINESS IN OUR SITES PROGRAM).

25 (2) \$150,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION
26 1552 (RELATING TO FIRST INDUSTRIES PROGRAM).

27 § 1544. USE.

28 (A) GENERAL RULE.--MONEY OF THE AUTHORITY SHALL BE USED BY
29 THE BOARD TO FUND THE PROGRAMS ESTABLISHED IN SUBCHAPTER E
30 (RELATING TO PROGRAMS) AND IN 12 PA.C.S. CH. 29 (RELATING TO

1 MACHINERY AND EQUIPMENT LOANS).

2 (B) TRANSFER.--BY JUNE 30, 2006, THE AUTHORITY SHALL
3 TRANSFER IN THE AGGREGATE \$75,000,000 TO THE DEPARTMENT FOR
4 DEPOSIT IN THE ACCOUNT CREATED BY 12 PA.C.S § 2904 (RELATING TO
5 MACHINERY AND EQUIPMENT LOAN FUND).

6 (C) ADMINISTRATIVE EXPENSES.--THE AUTHORITY MAY USE MONEYS,
7 INCLUDING THE PROCEEDS OF BONDS, TO PAY THE ADMINISTRATIVE
8 EXPENSES OF THE AUTHORITY AND OF THE DEPARTMENT INCURRED UNDER
9 THIS CHAPTER.

10 SUBCHAPTER E

11 PROGRAMS

12 SEC.

13 1551. BUSINESS IN OUR SITES PROGRAM.

14 1552. FIRST INDUSTRIES PROGRAM.

15 § 1551. BUSINESS IN OUR SITES PROGRAM.

16 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE
17 KNOWN AS THE BUSINESS IN OUR SITES PROGRAM. THE PROGRAM SHALL
18 PROVIDE FINANCIAL ASSISTANCE FOR THE PREPARATION OF SITES
19 LOCATED WITHIN THIS COMMONWEALTH FOR FUTURE DEVELOPMENT.

20 (B) APPLICATIONS FOR PLANNING GRANTS.--A MUNICIPALITY,
21 MUNICIPAL AUTHORITY, REDEVELOPMENT AUTHORITY OR INDUSTRIAL
22 DEVELOPMENT AGENCY MAY SUBMIT AN APPLICATION TO THE AUTHORITY
23 REQUESTING A PLANNING GRANT FOR COSTS ASSOCIATED WITH
24 PREDEVELOPMENT ACTIVITIES AND FEASIBILITY STUDIES FOR A PROJECT.
25 THE APPLICATION SHALL BE ON THE FORM REQUIRED BY THE BOARD AND
26 SHALL INCLUDE OR DEMONSTRATE ALL OF THE FOLLOWING:

27 (1) THE APPLICANT'S NAME AND ADDRESS.

28 (2) THE LOCATION OF THE PROJECT.

29 (3) A STATEMENT THAT THE PROJECT IS CONSISTENT WITH ANY
30 EXISTING COMPREHENSIVE COUNTY PLAN WHERE THE PROJECT IS

1 LOCATED.

2 (4) A DESCRIPTION OF THE PROJECT, WHICH INCLUDES A
3 STATEMENT THAT:

4 (I) THE PROJECT IS FOR THE REDEVELOPMENT, REUSE OR
5 REVITALIZATION OF PREVIOUSLY DEVELOPED LAND, INCLUDING
6 PREVIOUSLY MINED AREAS; OR

7 (II) THE PROJECT IS FOR THE DEVELOPMENT OF
8 UNDEVELOPED LAND WHICH MAY BE THE SUBJECT OF FUTURE
9 DEVELOPMENT PURSUANT TO ANY EXISTING COMPREHENSIVE
10 MUNICIPAL PLAN.

11 (5) AN ESTIMATE OF THE COST OF THE PREDEVELOPMENT
12 ACTIVITIES AND FEASIBILITY STUDIES.

13 (6) A STATEMENT OF THE AMOUNT OF THE PLANNING GRANT
14 SOUGHT.

15 (7) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

16 (C) REVIEW AND APPROVAL OF PLANNING GRANT APPLICATIONS.--

17 (1) THE BOARD SHALL REVIEW THE APPLICATION. UPON BEING
18 SATISFIED THAT ALL REQUIREMENTS HAVE BEEN MET, THE BOARD MAY
19 APPROVE THE APPLICATION AND THE AUTHORITY SHALL AWARD A
20 PLANNING GRANT.

21 (2) COPIES OF ALL REPORTS AND STUDIES PREPARED WITH
22 PLANNING GRANT FUNDS SHALL BE PROVIDED TO THE BOARD AND SHALL
23 BE MADE AVAILABLE TO ANY PERSON UPON REQUEST.

24 (D) APPLICATIONS FOR PROJECT FINANCING.--A MUNICIPALITY,
25 MUNICIPAL AUTHORITY, REDEVELOPMENT AUTHORITY OR INDUSTRIAL
26 DEVELOPMENT AGENCY MAY SUBMIT AN APPLICATION TO THE AUTHORITY
27 REQUESTING A LOAN OR A COMBINATION OF A LOAN AND PROJECT GRANT
28 FOR A PROJECT. A PRIVATE DEVELOPER MAY SUBMIT AN APPLICATION TO
29 THE BOARD REQUESTING A LOAN FOR A PROJECT. THE APPLICATION SHALL
30 BE ON THE FORM REQUIRED BY THE BOARD AND SHALL INCLUDE OR

1 DEMONSTRATE ALL OF THE FOLLOWING:

2 (1) THE APPLICANT'S NAME AND ADDRESS.

3 (2) THE LOCATION OF THE PROJECT.

4 (3) A STATEMENT THAT THE PROJECT IS CONSISTENT WITH ANY
5 EXISTING COMPREHENSIVE COUNTY PLAN WHERE THE PROJECT IS
6 LOCATED.

7 (4) A DESCRIPTION OF THE PROJECT, WHICH INCLUDES A
8 STATEMENT THAT:

9 (I) THE PROJECT IS FOR THE REDEVELOPMENT, REUSE OR
10 REVITALIZATION OF PREVIOUSLY DEVELOPED LAND, INCLUDING
11 PREVIOUSLY MINED AREAS; OR

12 (II) THE PROJECT IS FOR THE DEVELOPMENT OF
13 UNDEVELOPED LAND WHICH MAY BE THE SUBJECT OF FUTURE
14 DEVELOPMENT PURSUANT TO ANY EXISTING COMPREHENSIVE
15 MUNICIPAL PLAN AND IS ZONED FOR SUCH DEVELOPMENT AT THE
16 TIME OF APPLICATION.

17 (5) AN ESTIMATE OF THE COST OF THE PROJECT, PREPARED BY
18 AN ENGINEER OR OTHER QUALIFIED PROFESSIONAL.

19 (6) A STATEMENT OF THE AMOUNT OF THE LOAN OR COMBINED
20 LOAN AND PROJECT GRANT SOUGHT. IF THE APPLICANT IS REQUESTING
21 A PROJECT GRANT, A STATEMENT AS TO THE FINANCIAL NECESSITY
22 FOR THE PROJECT GRANT MUST BE INCLUDED.

23 (7) PROOF THAT NOTIFICATION OF THE PROJECT HAS BEEN SENT
24 TO THE GOVERNING BODIES OF THE COUNTY OR COUNTIES AND OF THE
25 MUNICIPALITY OR MUNICIPALITIES IN WHICH THE PROJECT IS
26 LOCATED.

27 (8) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

28 (E) REVIEW OF PROJECT FINANCING APPLICATIONS.--THE BOARD
29 SHALL REVIEW THE APPLICATION TO DETERMINE ALL OF THE FOLLOWING:

30 (1) THAT THE PROJECT IS CONSISTENT WITH ANY EXISTING

1 COMPREHENSIVE COUNTY PLAN WHERE THE PROJECT IS LOCATED.

2 (2) THAT THE PROJECT IS THE REDEVELOPMENT, REUSE OR
3 REVITALIZATION OF PREVIOUSLY DEVELOPED LAND, INCLUDING
4 PREVIOUSLY MINED AREAS, OR THAT THE PROJECT IS THE
5 DEVELOPMENT OF UNDEVELOPED LAND WHICH MAY BE THE SUBJECT OF
6 FUTURE DEVELOPMENT PURSUANT TO ANY EXISTING COMPREHENSIVE
7 MUNICIPAL PLAN AND IS ZONED FOR SUCH DEVELOPMENT AT THE TIME
8 OF APPLICATION.

9 (3) THAT THE VALUE OF THE PROPOSED COLLATERAL AND THE
10 FINANCIAL RESOURCES OFFERED BY THE APPLICANT ARE SUFFICIENT
11 TO REPAY THE LOAN.

12 (4) THAT THERE IS A LIKELIHOOD OF NEW USE OF THE LAND OR
13 BUILDINGS UPON PROJECT COMPLETION.

14 (5) THAT THE PROJECT WILL ENABLE FUTURE EMPLOYMENT
15 OPPORTUNITIES IN, OR HAVE A NET POSITIVE ECONOMIC IMPACT ON,
16 THE SURROUNDING COMMUNITY.

17 (6) THAT THE STATEMENT OF THE ESTIMATED COST OF THE
18 PROJECT IS REASONABLE.

19 (7) THAT THE APPLICANT COMPLIED WITH ALL OTHER CRITERIA
20 ESTABLISHED BY THE BOARD.

21 (F) APPROVAL OF PROJECT FINANCING APPLICATIONS.--UPON BEING
22 SATISFIED THAT ALL REQUIREMENTS HAVE BEEN MET, THE BOARD MAY
23 APPROVE THE APPLICATION AND THE AUTHORITY SHALL AWARD A LOAN OR
24 A COMBINATION OF A LOAN AND PROJECT GRANT FOR THE PROJECT. A
25 COMBINED LOAN AND PROJECT GRANT MAY BE AWARDED ONLY IF THE BOARD
26 FINDS THAT THE VALUE OF THE PROPOSED COLLATERAL AND THE
27 FINANCIAL RESOURCES OFFERED BY THE APPLICANT ARE NOT SUFFICIENT
28 TO REPAY A LOAN IN THE AMOUNT OF THE TOTAL PROJECT COST.

29 (G) LIMITATIONS.--

30 (1) A PLANNING GRANT AWARDED FOR A PROJECT UNDER SECTION

1 (C) SHALL NOT EXCEED \$250,000. NO MORE THAN \$10,000,000 OF
2 THE FUNDS MADE AVAILABLE FOR THE PROGRAM AUTHORIZED BY THIS
3 SECTION MAY BE USED FOR PLANNING GRANTS.

4 (2) A PROJECT GRANT AWARDED UNDER SUBSECTION (F) SHALL
5 NOT EXCEED 50% OF THE TOTAL AMOUNT OF FINANCING AWARDED BY
6 THE BOARD FOR THE PROJECT OR \$5,000,000, WHICHEVER IS LESS.
7 NO MORE THAN ONE-THIRD OF THE FUNDS MADE AVAILABLE FOR THE
8 PROGRAM AUTHORIZED BY THIS SECTION MAY BE USED FOR ALL
9 PROJECT GRANTS.

10 (3) NO MORE THAN 15% OF THE FUNDS MADE AVAILABLE FOR THE
11 PROGRAM AUTHORIZED BY THIS SECTION MAY BE AWARDED FOR
12 PROJECTS LOCATED WITHIN ANY ONE CITY, TOWN, BOROUGH OR
13 TOWNSHIP OF THIS COMMONWEALTH.

14 (4) THE ANTICIPATED NEW USE OF THE LAND OR BUILDINGS MAY
15 NOT BE EXCLUSIVELY RESIDENTIAL OR PRIMARILY RECREATIONAL.

16 (5) A PROJECT GRANT MAY BE USED ONLY FOR ONE OR MORE OF
17 THE FOLLOWING PURPOSES:

18 (I) ENVIRONMENTAL ASSESSMENT AND REMEDIATION.

19 (II) SITE PREPARATION, INCLUDING EARTH MOVING
20 ACTIVITIES.

21 (III) DEMOLITION OF STRUCTURES.

22 (IV) INSTALLATION OR REHABILITATION OF
23 INFRASTRUCTURE.

24 (V) REIMBURSEMENT OF ENGINEERING AND ADMINISTRATIVE
25 EXPENSES ASSOCIATED WITH ANY OF THE ACTIVITIES LISTED IN
26 SUBPARAGRAPHS (I) THROUGH (IV).

27 § 1552. FIRST INDUSTRIES PROGRAM.

28 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE
29 KNOWN AS THE FIRST INDUSTRIES PROGRAM. THE PROGRAM SHALL PROVIDE
30 FINANCIAL ASSISTANCE FOR PROJECTS RELATED TO TOURISM AND

1 AGRICULTURE LOCATED WITHIN THIS COMMONWEALTH. THE BOARD SHALL
2 ALLOCATE FUNDS MADE AVAILABLE TO THE PROGRAM AMONG THE DIFFERENT
3 METHODS OF FINANCING AUTHORIZED IN THIS SECTION.

4 (B) APPLICATIONS FOR PLANNING GRANTS.--AN APPLICANT MAY
5 SUBMIT AN APPLICATION TO THE AUTHORITY REQUESTING A PLANNING
6 GRANT IN AN AMOUNT NOT TO EXCEED \$250,000 FOR THE COSTS OF
7 PREDEVELOPMENT ACTIVITIES AND FEASIBILITY STUDIES FOR A PROJECT
8 RELATED TO TOURISM OR AGRICULTURE. THE APPLICATION SHALL BE ON
9 THE FORM REQUIRED BY THE BOARD AND SHALL INCLUDE OR DEMONSTRATE
10 ALL OF THE FOLLOWING:

11 (1) THE APPLICANT'S NAME AND ADDRESS.

12 (2) THE LOCATION OF THE PROJECT.

13 (3) A DESCRIPTION OF THE PROJECT.

14 (4) AN ESTIMATE OF THE COST OF THE PREDEVELOPMENT
15 ACTIVITIES AND FEASIBILITY STUDIES AND THE GOAL TO BE
16 ACHIEVED BY CARRYING OUT THE PROPOSED ACTIVITIES OR STUDIES.

17 (5) A STATEMENT OF THE AMOUNT OF THE PLANNING GRANT
18 SOUGHT.

19 (6) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

20 (C) REVIEW AND APPROVAL OF PLANNING GRANT APPLICATIONS.--

21 (1) THE BOARD SHALL REVIEW THE APPLICATION TO DETERMINE
22 THAT THE PROJECT DEMONSTRATES ONE OR MORE OF THE FOLLOWING:

23 (I) THE PROJECT WILL HAVE A DEMONSTRABLE IMPACT ON
24 THE ECONOMY OR WELL-BEING OF THE NEIGHBORHOOD, COMMUNITY
25 OR REGION WHERE THE PROJECT WILL BE LOCATED.

26 (II) THE PROJECT WILL PROMOTE RESEARCH AND
27 DEVELOPMENT EFFORTS LEADING TO INCREASED
28 COMMERCIALIZATION OR UTILIZATION OF FARM COMMODITIES.

29 (III) THE PROJECT WILL RESULT IN ENVIRONMENTALLY
30 FRIENDLY OR ENERGY EFFICIENT OPERATIONS RELATED TO

1 AGRICULTURE, INCLUDING PROJECTS AUTHORIZED BY THE ACT OF
2 DECEMBER 12, 1994 (P.L.888, NO.128), KNOWN AS THE
3 AGRICULTURAL BY-PRODUCT MANAGEMENT TECHNOLOGY ACT.

4 (IV) THE PROJECT WILL RESULT IN MORE COST-EFFECTIVE
5 AND EFFICIENT MARKETING OF REGIONAL ASSETS RELATED TO
6 TOURISM OR AGRICULTURE.

7 (V) THE PROJECT WILL RESULT IN A SUBSTANTIAL
8 INCREASE IN REVENUES FOR THE COMMONWEALTH OR THE HOST
9 MUNICIPALITY.

10 (VI) THE PROJECT PROPOSES TO UTILIZE COMMONWEALTH-
11 OWNED NATURAL RESOURCES FOR PUBLIC/PRIVATE DEVELOPMENT OF
12 TOURISM.

13 (2) UPON BEING SATISFIED THAT THE REQUIREMENTS OF
14 PARAGRAPH (1) HAVE BEEN MET, THE BOARD MAY APPROVE THE
15 APPLICATION AND THE AUTHORITY SHALL AWARD A PLANNING GRANT.

16 (3) COPIES OF ALL REPORTS AND STUDIES PREPARED WITH
17 PLANNING GRANT FUNDS SHALL BE PROVIDED TO THE BOARD AND SHALL
18 BE MADE AVAILABLE TO ANY PERSON UPON REQUEST.

19 (D) LOANS TO APPLICANTS.--IF THE DEPARTMENT APPROVES AN
20 APPLICATION FOR A LOAN UNDER THE PROGRAMS ESTABLISHED IN 12
21 PA.C.S. CH. 23 (RELATING TO SMALL BUSINESS FIRST) OR 29
22 (RELATING TO MACHINERY AND EQUIPMENT LOANS), THE DEPARTMENT MAY
23 REQUEST THAT THE AUTHORITY FINANCE THE LOAN. UPON BEING
24 SATISFIED THAT THE PROJECT IS RELATED TO AGRICULTURE OR TOURISM,
25 THE BOARD MAY APPROVE THE REQUEST AND THE AUTHORITY SHALL AWARD
26 A LOAN. PRIOR TO PROVIDING LOAN FUNDS TO THE APPLICANT, THE
27 AUTHORITY SHALL ENTER INTO A LOAN AGREEMENT CONSISTENT WITH THE
28 REQUIREMENTS FOR LOANS MADE UNDER THE PROGRAM ESTABLISHED IN 12
29 PA.C.S. CH. 23 OR 29, WHICHEVER IS APPROPRIATE. LOANS MADE UNDER
30 THIS SUBSECTION SHALL BE ADMINISTERED BY THE DEPARTMENT.

1 PAYMENTS RECEIVED SHALL BE FORWARDED TO THE AUTHORITY AND
2 CREDITED TO THE ACCOUNT ESTABLISHED IN ACCORDANCE WITH SECTION
3 1542(A)(2) (RELATING TO ACCOUNTS).

4 (E) LOAN GUARANTEES.--

5 (1) AN APPLICANT MAY REQUEST A GUARANTEE FOR A LOAN TO
6 BE MADE BY A COMMERCIAL LENDING INSTITUTION TO ASSIST WITH
7 THE FINANCING OF A PROJECT RELATED TO TOURISM OR AGRICULTURE.
8 THE APPLICANT MAY BE THE COMMERCIAL LENDING INSTITUTION
9 APPLYING ON BEHALF OF A BORROWER. THE APPLICATION MUST BE ON
10 THE FORM REQUIRED BY THE BOARD AND MUST INCLUDE OR
11 DEMONSTRATE ALL OF THE FOLLOWING:

12 (I) THE APPLICANT'S NAME AND ADDRESS. IF THE
13 APPLICANT IS A COMMERCIAL LENDING INSTITUTION, THE
14 BORROWER'S NAME AND ADDRESS.

15 (II) A DESCRIPTION OF THE PROJECT.

16 (III) A STATEMENT DESCRIBING THE ANTICIPATED
17 ECONOMIC IMPACT TO THE COMMONWEALTH AND THE HOST
18 MUNICIPALITY AS A RESULT OF THE PROJECT.

19 (IV) A DESCRIPTION OF THE PROPOSED PROJECT
20 FINANCING, INCLUDING TERMS, CONDITIONS AND THE COLLATERAL
21 OR SECURITY REQUIRED FOR THE LOAN FOR WHICH THE GUARANTEE
22 IS BEING REQUESTED.

23 (V) A COPY OF THE APPLICANT'S LAST TWO YEARS OF
24 FINANCIAL STATEMENTS PREPARED BY AN INDEPENDENT CERTIFIED
25 PUBLIC ACCOUNTANT. IF THE APPLICANT IS A COMMERCIAL
26 LENDING INSTITUTION, A COPY OF THE BORROWER'S LAST TWO
27 YEARS OF FINANCIAL STATEMENTS PREPARED BY AN INDEPENDENT
28 CERTIFIED PUBLIC ACCOUNTANT.

29 (VI) THE AMOUNT OF THE LOAN GUARANTEE THAT IS BEING
30 REQUESTED.

1 (VII) THE TOTAL PROJECT COST AND THE IDENTIFICATION
2 OF ALL SOURCES OF CAPITAL FOR THE PROJECT.

3 (VIII) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

4 (2) THE BOARD SHALL REVIEW THE APPLICATION TO DETERMINE
5 ALL OF THE FOLLOWING:

6 (I) THAT THE PROJECT HAS BEEN AWARDED A PLANNING
7 GRANT UNDER THIS SECTION OR THAT AT LEAST \$1,000,000 OF
8 PRIVATE FUNDS ARE BEING INVESTED IN THE PROJECT.

9 (II) THAT THE VALUE OF THE PROPOSED COLLATERAL IS
10 SUFFICIENT TO COVER THE FULL AMOUNT OF THE LOAN.

11 (III) THAT THE APPLICANT COMPLIED WITH ALL OTHER
12 CRITERIA ESTABLISHED BY THE BOARD.

13 (3) UPON BEING SATISFIED THAT ALL REQUIREMENTS HAVE BEEN
14 MET, THE BOARD MAY APPROVE THE GUARANTEE AND THE AUTHORITY
15 SHALL EXECUTE A GUARANTEE AGREEMENT IN FAVOR OF THE
16 COMMERCIAL LENDING INSTITUTION STATING THE TERMS AND AMOUNTS
17 OF THE GUARANTEE. THE GUARANTEE MAY NOT EXCEED 50% OF THE
18 OUTSTANDING PRINCIPAL AMOUNT OF THE LOAN OR \$2,500,000 AT ANY
19 POINT IN TIME, WHICHEVER IS LESS. IN ADDITION TO ANY OTHER
20 TERMS AND CONDITIONS REQUIRED BY THE BOARD, THE GUARANTEE
21 AGREEMENT SHALL PROVIDE FOR ALL OF THE FOLLOWING:

22 (I) THE PROCEDURE FOR THE SUBMISSION BY THE
23 COMMERCIAL LENDING INSTITUTION OF A CLAIM FOR PAYMENT.
24 THIS PROCEDURE SHALL REQUIRE THAT THE COMMERCIAL LENDING
25 INSTITUTION DEMONSTRATE THAT IT HAS EXHAUSTED ALL
26 AVAILABLE REMEDIES AGAINST THE BORROWER, GUARANTORS AND
27 COLLATERAL BEFORE SEEKING PAYMENT UNDER THE AGREEMENT.

28 (II) A REQUIREMENT THAT A PERCENTAGE OF ANY MONEYS
29 RECOVERED SUBSEQUENT TO THE PAYMENT OF A CLAIM BY THE
30 AUTHORITY BE REMITTED TO THE AUTHORITY.

1 (III) PERIODIC REPORTING REQUIREMENTS BY THE
2 COMMERCIAL LENDING INSTITUTION REGARDING ITSELF AND
3 REGARDING THE LOANS WHICH HAVE BEEN AWARDED GUARANTEES
4 UNDER THIS SECTION.

5 (4) THE BOARD MAY ESTABLISH A SUBCOMMITTEE COMPOSED OF
6 ONE OR MORE BOARD MEMBERS AND DEPARTMENT STAFF TO SUPERVISE
7 THE PROGRESS OF PROJECTS FOR WHICH LOAN GUARANTEES HAVE BEEN
8 AWARDED UNDER THIS SECTION.

9 (F) LIMITATIONS.--

10 (1) NO MORE THAN \$10,000,000 OF THE FUNDS AVAILABLE FOR
11 THE PROGRAM AUTHORIZED BY THIS SECTION MAY BE USED FOR GRANTS
12 AWARDED UNDER SUBSECTION (C).

13 (2) AT LEAST TWO-THIRDS OF THE FUNDS AVAILABLE FOR THE
14 PROGRAM AUTHORIZED BY THIS SECTION SHALL BE USED FOR
15 FINANCING OF PROJECTS RELATED TO AGRICULTURE.

16 SECTION 1.1. THE HEADING OF PART II OF TITLE 64 IS AMENDED
17 TO READ:

18 PART [II] III

19 PUBLIC AUTHORITIES

20 SECTION 1.2. THE GENERAL ASSEMBLY FINDS AND DECLARES THAT
21 AUTHORIZED INVESTMENTS, LOANS AND GUARANTEES OF THE FUND OR THE
22 ACCOUNTS MADE UNDER THIS ACT, WHEREBY THE FUND OR THE ACCOUNT
23 BECOMES A JOINT OWNER, MEMBER, LIMITED PARTNER OR STOCKHOLDER
24 IN, LENDER TO OR GUARANTOR OF OBLIGATIONS OF A COMPANY,
25 CORPORATION, LIMITED PARTNERSHIP, COMPANY, ASSOCIATION OR OTHER
26 LAWFUL BUSINESS ORGANIZATION, ARE OUTSIDE THE SCOPE OF THE
27 ORIGINAL INTENT OF AND DO NOT VIOLATE THE PROHIBITION SET FORTH
28 IN SECTION 8 OF ARTICLE VIII OF THE CONSTITUTION OF
29 PENNSYLVANIA.

30 Section 2. Money appropriated to the Department of Community

1 and Economic Development for the Base Retention and Conversion
2 Pennsylvania Action Committee shall be used for all of the
3 following:

4 (1) The development of a Statewide strategy.

5 (2) Grants for economic impact studies, environmental
6 impact studies, encroachment studies, community and regional
7 interaction with military bases, infrastructure needs at
8 military bases and job training needs at or near military
9 bases. Grants shall be awarded by the Base Retention and
10 Conversion Pennsylvania Action Committee.

11 Section 3. Section 5 of the act of February 12, 2004
12 (P.L.99, No.12), entitled "An act amending Title 12 (Commerce
13 and Trade) of the Pennsylvania Consolidated Statutes, codifying
14 portions of the Job Enhancement Act; further providing for
15 contract requirements, for guidelines, for administration and
16 for application and review requirements; providing for Keystone
17 Innovation Zones; and making repeals relating to the Job
18 Enhancement Act," is repealed.

19 ~~Section 4. This act shall take effect as follows:~~ <—

20 ~~(1) The following provisions shall take effect~~
21 ~~immediately:~~

22 ~~(i) Section 2 of this act.~~

23 ~~(ii) Section 3 of this act.~~

24 ~~(iii) This section.~~

25 ~~(2) The remainder of this act shall take effect in 60~~
26 ~~days.~~

27 SECTION 4. THIS ACT SHALL TAKE EFFECT IMMEDIATELY. <—