
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, ERICKSON,
WONDERLING AND PUNT, FEBRUARY 10, 2004

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MARCH 31, 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; ~~creating the~~ <—
4 ~~Commonwealth Financing Authority; providing for the incurring~~
5 ~~of indebtedness; providing for the Business in Our Sites~~
6 ~~Program, for the First Industries Program and for funding for~~
7 ~~the Machinery and Equipment Loan Program; further providing~~
8 for money appropriated to the Department of Community and
9 Economic Development for the Base Retention and Conversion
10 Pennsylvania Action Committee; ~~and making a related repeal~~ <—
11 MAKING A RELATED REPEAL; AND MAKING AN EDITORIAL CHANGE. <—

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

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

PART II

ECONOMIC DEVELOPMENT FINANCING

18 Chapter

- 1 11. Pennsylvania Industrial Development Authority
- 2 (Reserved)
- 3 13. Pennsylvania Economic Development Financing Authority
- 4 (Reserved)
- 5 15. Commonwealth Financing Authority

6 CHAPTER 11

7 PENNSYLVANIA INDUSTRIAL INVESTMENT AUTHORITY

8 (RESERVED)

9 CHAPTER 13

10 PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY

11 (RESERVED)

12 CHAPTER 15

13 COMMONWEALTH FINANCING AUTHORITY

14 Subchapter

- 15 A. General Provisions
- 16 B. Structure and Powers
- 17 C. Bonds
- 18 D. Funds, Accounts, Indebtedness and Use
- 19 E. Programs

20 SUBCHAPTER A

21 GENERAL PROVISIONS

22 Sec.

23 1501. Scope.

24 1502. Construction.

25 ~~1503. (Reserved).~~

<—

26 1503. FINDINGS AND DECLARATION OF POLICY.

<—

27 1504. Definitions.

28 § 1501. Scope.

29 This chapter relates to the Commonwealth Financing Authority.

30 § 1502. Construction.

1 (A) GENERAL RULE.--This chapter shall be liberally construed <—
2 in order to effect the legislative and public purposes as set
3 forth in this subchapter.

4 (B) RIGHTS OF OBLIGEES.--THE PROVISIONS OF THIS CHAPTER <—
5 PROVIDING FOR SECURITY, RIGHTS AND REMEDIES OF OBLIGEES OF THE
6 AUTHORITY SHALL BE LIBERALLY CONSTRUED TO ACHIEVE THE
7 LEGISLATIVE AND PUBLIC PURPOSES AS SET FORTH IN THIS SUBCHAPTER.

8 (C) LIMITATION.--IF ANY PROVISION OF THIS CHAPTER IS JUDGED
9 TO BE INVALID BY A COURT OF COMPETENT JURISDICTION, THE ORDER OR
10 JUDGMENT SHALL BE CONFINED IN ITS OPERATION TO THE CONTROVERSY
11 IN WHICH IT WAS RENDERED AND SHALL NOT AFFECT OR INVALIDATE ANY
12 REMAINING PROVISION OF THIS CHAPTER.

13 ~~§ 1503. (Reserved).~~ <—

14 § 1503. FINDINGS AND DECLARATION OF POLICY. <—

15 THE GENERAL ASSEMBLY FINDS AND DECLARES AS FOLLOWS:

16 (1) ACTIVITIES WHICH LEAD TO THE CREATION AND RETENTION
17 OF JOBS WITHIN THIS COMMONWEALTH, THE ESTABLISHMENT OF
18 ECONOMICALLY VIABLE PENNSYLVANIA COMMUNITIES, THE DEVELOPMENT
19 OF A STABLE TAX BASE WITHIN PENNSYLVANIA COMMUNITIES, THE
20 REUSE OF ABANDONED INDUSTRIAL, COMMERCIAL AND OTHER
21 PREVIOUSLY UTILIZED SITES, THE PROMOTION AND
22 COMMERCIALIZATION OF PENNSYLVANIA PRODUCTS AND SERVICES AND
23 THE INVESTMENT OF PRIVATE CAPITAL IN PENNSYLVANIA ENTERPRISES
24 AND PENNSYLVANIA COMMUNITIES WILL IMPROVE THE HEALTH, SAFETY
25 AND GENERAL WELFARE OF THE PEOPLE OF THIS COMMONWEALTH BY
26 INCREASING EMPLOYMENT OF PENNSYLVANIA WORKERS; BY DEVELOPING
27 A STABLE STATE ECONOMY; BY REVITALIZING COMMUNITIES; BY
28 REDUCING, ELIMINATING AND PREVENTING BLIGHT; AND ELIMINATING
29 CERTAIN ENVIRONMENTAL HAZARDS.

30 (2) MANY EXISTING INDUSTRIAL, COMMERCIAL AND OTHER

1 ECONOMIC ACTIVITIES THROUGHOUT THIS COMMONWEALTH COULD BECOME
2 MORE COMPETITIVE AND COULD EXPAND MORE RAPIDLY IF ADDITIONAL
3 MEANS OF FINANCING WERE AVAILABLE FOR MODERN BUILDINGS, PLANT
4 FACILITIES, MODERN MACHINERY AND EQUIPMENT AND OTHER CAPITAL
5 NEEDS. ADDITIONAL ACTIVITIES COULD BE ATTRACTED TO THIS
6 COMMONWEALTH IF ADDITIONAL MEANS OF FINANCING WERE AVAILABLE
7 TO ACQUIRE, CONSTRUCT, REHABILITATE AND EXPAND FACILITIES.
8 FINANCING FOR COST-SAVING ACTIVITIES RELATED TO BUILDINGS,
9 PLANTS, MACHINERY AND EQUIPMENT AND OTHER FACILITIES WOULD
10 FURTHER THE PURPOSES OF THIS PARAGRAPH.

11 (3) A MINIMUM LEVEL OF UNEMPLOYMENT AND A MAXIMUM LEVEL
12 OF BUSINESS OPPORTUNITY CAN BEST BE PROVIDED BY THE
13 PROMOTION, ATTRACTION, STIMULATION, REHABILITATION AND
14 REVITALIZATION OF INDUSTRIAL, COMMERCIAL, TECHNOLOGICAL,
15 TOURIST, AGRICULTURAL AND OTHER ECONOMIC ACTIVITIES IN THIS
16 COMMONWEALTH. THE PROMOTION OF THESE ACTIVITIES WILL ALSO
17 ENHANCE PENNSYLVANIA'S COMPETITIVENESS IN THE GLOBAL ECONOMY.

18 (4) THE PROVISIONS OF THE CONSTITUTION OF PENNSYLVANIA
19 GUARANTEEING THE RESIDENTS OF THIS COMMONWEALTH CLEAN AIR AND
20 WATER AND THE PRESERVATION OF THE ENVIRONMENT AND THE
21 IMPLEMENTATION OF THOSE PROVISIONS THROUGH THE ESTABLISHMENT
22 OF QUALITY STANDARDS RELATING TO ABATEMENT OR ELIMINATION OF
23 POLLUTION HAVE RESULTED IN THE NEED FOR ADDITIONAL MEANS OF
24 FINANCING TO ASSIST AND ENCOURAGE COMPLIANCE WITH STANDARDS
25 ON AIR, WATER, SOLID AND LIQUID WASTE DISPOSAL, SEWAGE
26 DISPOSAL AND POLLUTION CONTROL.

27 (5) INDUSTRIAL AND COMMERCIAL FACILITIES SHOULD BE
28 PROMOTED, WHETHER BY THE FINANCING OF THESE FACILITIES OR BY
29 THE ENCOURAGEMENT OF OTHER ACTIVITIES DEEMED APPROPRIATE
30 WHICH WILL ELIMINATE BLIGHT OR OTHERWISE IMPROVE AN AREA FOR

1 INDUSTRIAL, COMMERCIAL OR OTHER ECONOMIC ACTIVITY.

2 (6) TO PROTECT THE HEALTH, SAFETY AND GENERAL WELFARE OF
3 THE PEOPLE OF THIS COMMONWEALTH AND TO FURTHER ENCOURAGE
4 ECONOMIC DEVELOPMENT AND EFFICIENCY WITHIN THIS COMMONWEALTH
5 BY PROVIDING BASIC SERVICES AND FACILITIES, IT IS NECESSARY
6 TO PROVIDE ADDITIONAL OR ALTERNATIVE MEANS OF FINANCING
7 INFRASTRUCTURE FACILITIES; TRANSPORTATION SYSTEMS; INDUSTRIAL
8 PARKS; ENERGY CONVERSION FACILITIES; FACILITIES FOR THE
9 FURNISHING OF ENERGY, WATER AND TELECOMMUNICATIONS;
10 FACILITIES FOR THE COLLECTION OR TREATMENT OF WASTEWATER AND
11 STORM WATER; TOURISM; PARKING FACILITIES; HEALTH CARE
12 FACILITIES; AND OTHER BASIC SERVICE AND RELATED FACILITIES
13 WHICH ARE CONDUCIVE TO ECONOMIC ACTIVITY WITHIN THIS
14 COMMONWEALTH AND WHICH ARE CONSISTENT WITH THE PURPOSES OF
15 THIS CHAPTER.

16 (7) TO PROTECT THE HEALTH, SAFETY AND GENERAL WELFARE OF
17 THE PEOPLE OF THIS COMMONWEALTH IT IS DESIRABLE TO BUILD,
18 IMPROVE AND FINANCE FACILITIES OWNED BY MUNICIPALITIES,
19 MUNICIPAL AUTHORITIES AND OTHER AUTHORITIES AND
20 INSTRUMENTALITIES OF THE COMMONWEALTH, INCLUDING PUBLICLY
21 OWNED ROADS AND OTHER TRANSPORTATION SYSTEMS AND WASTE
22 TREATMENT AND DISPOSAL FACILITIES.

23 (8) INDUSTRIAL, COMMERCIAL, TECHNOLOGICAL, TOURIST,
24 AGRICULTURAL AND OTHER ECONOMIC ACTIVITY SHOULD BE PROMOTED
25 THROUGH THE DEVELOPMENT OF NEW BUSINESSES AND THE EXPANSION
26 OF EXISTING BUSINESSES, THE REVITALIZATION OF REAL ESTATE
27 ASSETS, THE ACQUISITION AND PREPARATION OF SITES FOR FUTURE
28 USE AND THE SUPPORT OF TAX INCREMENT FINANCING.

29 (9) IT IS THE POLICY OF THIS COMMONWEALTH TO PROMOTE THE
30 HEALTH, SAFETY, EMPLOYMENT, BUSINESS OPPORTUNITIES, ECONOMIC

1 ACTIVITY AND GENERAL WELFARE OF THE PEOPLE BY:

2 (I) ESTABLISHING AN AUTHORITY TO EXIST AND OPERATE
3 AS A PUBLIC INSTRUMENTALITY OF THE COMMONWEALTH; AND

4 (II) ESTABLISHING THE PROGRAMS UNDER THIS CHAPTER
5 AND AUTHORIZING FINANCIAL ASSISTANCE, REGARDLESS OF
6 WHETHER THE APPLICANT OR THE PROJECT USER IS PUBLIC OR
7 PRIVATE OR WHETHER THE PROJECT IS UNDERTAKEN WITH A
8 PROFIT OR NOT-FOR-PROFIT PURPOSE.

9 § 1504. Definitions.

10 The following words and phrases when used in this chapter
11 shall have the meaning given to them in this section unless the
12 context clearly INDICATES otherwise: ←

13 "Agriculture." Any of the following:

14 (1) Production agriculture.

15 (2) Agribusiness.

16 (3) The sale of farm commodities at wholesale.

17 (4) The sale of farm commodities at retail by urban and
18 rural supermarkets located or to be located in underserved
19 areas.

20 (5) Farmers' markets.

21 (6) Energy-related activities impacting production
22 agriculture or agribusiness.

23 (7) Activities which implement best practices related to
24 ~~waste, waste products,~~ AGRICULTURAL WASTE, AGRICULTURAL WASTE ←
25 PRODUCTS, AGRICULTURAL by-products or fertilizer.

26 (8) Any other activity deemed by the Commonwealth
27 Financing Authority to involve agriculture.

28 "Applicant." A person that submits an application in
29 accordance with Subchapter E (relating to programs).

30 "Authority." The Commonwealth Financing Authority

1 established in section 1511 (relating to authority).

2 "Board." The board of the Commonwealth Financing Authority
3 established in section 1512 (relating to board).

4 "Bonds." ~~Notes,~~ BONDS, NOTES, instruments, refunding notes <—
5 and bonds and other evidences of indebtedness or obligations
6 WHICH THE AUTHORITY IS AUTHORIZED TO ISSUE PURSUANT TO THIS <—
7 CHAPTER.

8 "Commercial lending activities." The making of loans and the
9 provision of deposit services to business entities.

10 "Commercial lending institutions." A federally chartered or
11 state-chartered bank, savings bank or savings and loan
12 association which has a satisfactory rating from its primary
13 regulator and which is engaged in commercial lending activities.
14 The institution must operate at least one full-service branch
15 for deposit gathering and lending located within this
16 Commonwealth.

17 "Commonwealth agency." An agency, authority or other
18 instrumentality of the Commonwealth.

19 "Comprehensive county plan" or "comprehensive municipal
20 plan." The comprehensive plan adopted ~~by a county or a~~ <—
21 ~~municipality, respectively, under the act of July 31, 1968~~
22 ~~(P.L.805, No.247), known as the Pennsylvania Municipalities~~
23 ~~Planning Code.~~ PURSUANT TO APPLICABLE LAW BY: <—

24 (1) A COUNTY OR A MUNICIPALITY.

25 (2) A CITY OF THE FIRST CLASS.

26 (3) A CITY OF THE SECOND CLASS.

27 "Cost of the project" or "cost." Any of the following:

28 (1) Costs and expenses of acquisition of interests in
29 land, INFRASTRUCTURE, buildings, structures, equipment, <—
30 furnishings, fixtures and other tangible or intangible

1 property, which comprise the project.

2 (2) Costs and expenses of construction, reconstruction,
3 erection, equipping, expansion, extension, improvement,
4 installation, rehabilitation, renovation or repair of the
5 buildings, structures and equipment, which comprise the
6 project.

7 (3) Costs and expenses of demolishing, removing or
8 relocating buildings or structures on lands acquired or to be
9 acquired and the expense of acquiring land to which the
10 buildings or structures may be moved or relocated.

11 (4) Costs and expenses of preparing land for
12 development.

13 (5) Costs and expenses of engineering services,
14 financial services, accounting services and legal services,
15 plans, specifications, studies and surveys necessary or
16 incidental to determining the feasibility or practicability
17 of ~~constructing~~ the project. ←

18 (6) Working capital or other capital needs related to
19 the project.

20 (7) Other costs and expenses deemed necessary by the
21 Commonwealth Financing Authority.

22 "Department." The Department of Community and Economic
23 Development of the Commonwealth.

24 "Executive agency." The Governor and the departments,
25 boards, commissions, authorities and other officers and agencies
26 of the Commonwealth. The term does not include any court or
27 other officer or agency of the Unified Judicial System, the
28 General Assembly and its officers and agencies, an independent
29 agency or a State-affiliated entity.

30 "Farm commodities." Agricultural, horticultural,

1 aquacultural, vegetable, fruit and floricultural products of the
2 soil; livestock and meats; wools; hides; furs; poultry, eggs,
3 dairy products, nuts, mushrooms, honey products and forest
4 products.

5 "Farmer." A person engaged in the business of production
6 agriculture.

7 "Federal agency." The United States of America; the
8 President of the United States of America; the Congress; and any
9 department, corporation, agency or instrumentality designated or
10 established by the United States of America.

11 "Finance." The term shall have the broadest possible
12 meaning. The term includes refinance.

13 "Financial assistance." Loans, grants, guarantees, sales,
14 leases, investments authorized in Subchapter E (relating to
15 programs), lines of credit, letters of credit and other
16 financial arrangements which the Commonwealth Financing
17 Authority is authorized to undertake under Subchapter E
18 (relating to programs).

19 "Financing." The term shall have the broadest possible
20 meaning. The term includes refinancing.

21 ~~"Fund." The Commonwealth Fund established in section 1541~~ <—
22 ~~(relating to fund).~~

23 "Fund manager." An organization which has as its primary
24 purpose the managing of capital for real estate investments.

25 "Government agency." A Commonwealth agency; the Unified
26 Judicial System and its courts, officers and agencies; the
27 General Assembly and its officers and agencies; a political
28 subdivision; a municipal authority or other local authority; a
29 local, regional or metropolitan transportation authority; or a
30 board, commission or other agency or instrumentality of a

1 political subdivision, a municipal authority or other local
2 authority.

3 "~~Government~~ GOVERNING body." The body or board authorized by ←
4 law to enact ordinances or adopt resolutions for a political
5 subdivision.

6 "Independent agency." A board, commission or other agency or
7 officer of the Commonwealth which is not subject to the policy,
8 supervision and control of the Governor. The term does not
9 include a State-affiliated entity; any court or other officer or
10 agency of the Unified Judicial System; the General Assembly and
11 its officers and agencies; a State-related institution; a
12 political subdivision; or a local, regional or metropolitan
13 transportation authority.

14 "Industrial development corporation." An entity which has
15 been certified as an industrial development agency by the
16 Pennsylvania Industrial Development Authority Board under the
17 act of May 17, 1956 (1955 P.L.1609, No.537), known as the
18 Pennsylvania Industrial Development Authority Act.

19 "Issuing authority." As defined in section 3 of the act of
20 July 11, 1990 (P.L.465, No.113), known as the Tax Increment
21 Financing Act.

22 "Managing partner." A general partner, a manager, a managing
23 member or another person designated as the manager of a venture
24 capital partnership.

25 "Municipal authority." A public authority created under 53
26 Pa.C.S. Ch. 56 (relating to municipal authorities) or under the
27 former act of May 2, 1945 (P.L.382, No.164), known as the
28 Municipality Authorities Act of 1945.

29 "Obligee of the authority." Any of the following:

30 (1) A holder or owner of bonds of the Commonwealth

1 Financing Authority.

2 (2) A trustee or other fiduciary for any holder or owner
3 of bonds of the Commonwealth Financing Authority.

4 (3) A provider of a letter of credit, policy of
5 municipal bond insurance or other credit enhancement or
6 liquidity facility for bonds of the Commonwealth Financing
7 Authority.

8 (4) A lessor or installment seller demising property to
9 the Commonwealth Financing Authority in connection with a
10 project.

11 (5) A provider of an interest rate management agreement
12 or other agreement or arrangement authorized under section
13 1513(a)(28) (relating to powers).

14 "Pennsylvania-related company." An entity with operations
15 located in this Commonwealth or an entity willing to locate
16 significant business operations in this Commonwealth.

17 "PHILADELPHIA METROPOLITAN STATISTICAL AREA." THE ←
18 PHILADELPHIA, PENNSYLVANIA METROPOLITAN DIVISION OF THE
19 PHILADELPHIA-CAMDEN-WILMINGTON, PENNSYLVANIA-NEW JERSEY,
20 DELAWARE-MARYLAND METROPOLITAN STATISTICAL AREA AS ANNOUNCED ON
21 JUNE 6, 2003, BY THE UNITED STATES OFFICE OF MANAGEMENT AND
22 BUDGET PURSUANT TO STANDARDS FOR DEFINING METROPOLITAN AND
23 MICROPOLITAN STATISTICAL AREAS BY THE OFFICE OF MANAGEMENT AND
24 BUDGET FOR THE 2000 DECENNIAL CENSUS OF THE UNITED STATES BUREAU
25 OF THE CENSUS, AS PUBLISHED IN THE FEDERAL REGISTER, VOL. 65,
26 NO. 249, ON DECEMBER 27, 2000, COMPRISING THE PENNSYLVANIA
27 COUNTIES OF PHILADELPHIA, DELAWARE, BUCKS, MONTGOMERY AND
28 CHESTER.

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~~ OR floricultural products of the ←
9 soil;

10 (ii) livestock or livestock products;

11 (iii) milk or dairy products; or

12 (iv) poultry or poultry products.

13 (2) ~~Practices~~ ANY OTHER PRACTICES approved by the ←
14 Department of Agriculture.

15 "Project." An activity which promotes economic development
16 or opportunities within this Commonwealth. The term shall not
17 include activities conducted by a for-profit entity directly or
18 indirectly related to gaming.

19 "Project user." A person, political subdivision, municipal
20 authority, Commonwealth agency or other entity that owns, leases
21 or uses all or any part of a project.

22 "Redevelopment authority." An entity created under the act
23 of May 24, 1945 (P.L.991, No.385), known as the Urban
24 Redevelopment Law.

25 "Secretary." The Secretary of Community and Economic
26 Development of the Commonwealth.

27 "Supermarket." A retail store operated on a self-service
28 basis, primarily selling groceries, fresh produce, meat, bakery
29 and dairy products. The term does not include a convenience
30 store.

1 "Taxable bonds." Bonds or other evidence of indebtedness,
2 the interest on which is includable in gross income for Federal
3 income taxation purposes.

4 "Tax-exempt bonds." Bonds or other evidence of indebtedness,
5 the interest on which is excludable from gross income for
6 Federal income taxation purposes.

7 "Tax increment district." As defined in the act of July 11,
8 1990 (P.L.465, No.113), known as the Tax Increment Financing
9 Act.

10 "Tourism." An activity which promotes or encourages
11 individuals to travel to a location within this Commonwealth for
12 pleasure.

13 "Venture capital partnership." An entity whose purpose is to
14 make investments in companies and is formed as a limited
15 partnership, limited liability company or comparable investment
16 entity.

17 SUBCHAPTER B

18 STRUCTURE AND POWERS

19 Sec.

20 1511. Authority.

21 1512. Board.

22 1513. Powers.

23 1514. Limitation.

24 § 1511. Authority.

25 (a) Establishment.--There is established an independent
26 authority to be known as the Commonwealth Financing Authority.
27 The authority shall be an instrumentality of the Commonwealth
28 and a body corporate and politic, with corporate succession.

29 (b) Governance.--The authority shall be governed by the
30 board. The powers of the authority shall be exercised by the

1 board.

2 (c) Expenses.--Expenses of the authority shall be paid from
3 assets or income of the authority. Except as provided in this
4 chapter or by other law, the Commonwealth shall not be
5 responsible for funding the expenses of the authority.

6 (d) Fiscal year.--The fiscal year of the authority shall be
7 the same as the fiscal year of the Commonwealth.

8 (e) Audit.--

9 (1) The accounts and books of the authority shall be
10 examined and audited annually by an independent certified
11 public accounting firm.

12 (2) The authority shall, by December 31 of each year,
13 file a copy of the audit required by paragraph (1) with the
14 Secretary of the Senate and the Chief Clerk of the House of
15 Representatives.

16 (f) Reports.--(Reserved).

17 (g) Publication.--The authority shall annually publish a
18 concise financial statement in the Pennsylvania Bulletin.

19 (h) Cooperation.--Executive agencies shall cooperate with
20 and provide assistance to the authority without financial
21 reimbursement.

22 (i) Existence and dissolution.--

23 (1) The authority shall exist until terminated by law.

24 (2) The authority may be dissolved by law if all
25 outstanding liabilities of the authority, including bonds and
26 other contractual obligations, have been fully paid, retired,
27 satisfied or discharged, or provision has been made for
28 payment of all outstanding liabilities of the authority,
29 including bonds and other contractual obligations. Upon the
30 dissolution of the authority, all funds, assets and other

1 property of the authority shall vest in the Commonwealth.

2 (J) PROCUREMENT.--THE AUTHORITY SHALL BE CONSIDERED AS AN <—
3 INDEPENDENT AGENCY FOR THE PURPOSES OF 62 PA.C.S. PT. I
4 (RELATING TO COMMONWEALTH PROCUREMENT CODE).

5 (K) LIMITATION ON ACTION.--IF ANY PROVISION OF THIS SECTION <—
6 OR SECTION 1512 (RELATING TO BOARD) IS HELD INVALID BY A COURT
7 OF COMPETENT JURISDICTION, THE AUTHORITY SHALL NOT BORROW
8 FURTHER MONEYS NOR ISSUE FURTHER BONDS, AND THE AUTHORITY SHALL
9 NOT FURTHER DISBURSE TO ANY PERSON PROCEEDS OF ANY ISSUE OF
10 BONDS PREVIOUSLY AUTHORIZED. ALL PROVISIONS OF OUTSTANDING BONDS
11 OF THE AUTHORITY AND ALL RIGHTS AND REMEDIES OF OBLIGEEES OF THE
12 AUTHORITY UNDER THIS CHAPTER SHALL BE AND SHALL REMAIN VALID AND
13 ENFORCEABLE.

14 (L) RELATIONSHIP WITH DEPARTMENT.--

15 (1) THE DEPARTMENT SHALL PROVIDE ADMINISTRATIVE SERVICES
16 AND STAFF, INCLUDING STAFF LEGAL COUNSEL, TO THE AUTHORITY
17 AND THE BOARD. THE AUTHORITY SHALL REIMBURSE THE DEPARTMENT
18 FOR THE COST OF PROVIDING THE ADMINISTRATIVE SERVICES AND
19 STAFF.

20 (2) THE AUTHORITY MAY ENTER INTO AGREEMENTS WITH THE
21 DEPARTMENT SETTING FORTH THE RIGHTS AND OBLIGATIONS THEY HAVE
22 TO EACH OTHER IN CARRYING OUT THEIR RESPECTIVE
23 RESPONSIBILITIES UNDER, AND TO FURTHER THE INTENT OF, THIS
24 CHAPTER.

25 ~~(j)~~ (K) (M) Applicability.--The following acts shall apply <—
26 to the authority and the board:

27 (1) The act of June 21, 1957 (P.L.390, No.212), referred
28 to as the Right-to-Know Law.

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

1 (3) The provisions of 65 Pa.C.S. Chs. 7 (relating to
2 open meetings) and 11 (relating to ethics standards and
3 financial disclosure).

4 § 1512. Board.

5 (a) Composition.--The board shall be composed of the
6 following members:

7 (1) The Secretary of Community and Economic Development
8 or a designee.

9 (2) The Secretary of the Budget or a designee.

10 (3) The Secretary of Banking or a designee.

11 (4) Four legislative appointees.

12 (i) Appointments are as follows:

13 (A) One individual appointed by the President
14 pro tempore of the Senate.

15 (B) One individual appointed by the Minority
16 Leader of the Senate.

17 (C) One individual appointed by the Speaker of
18 the House of Representatives.

19 (D) One individual appointed by the Minority
20 Leader of the House of Representatives.

21 (ii) Legislative appointees shall serve at the
22 pleasure of the appointing authority.

23 (iii) ~~If the AN individual appointed to the board~~ <—
24 ~~pursuant to subparagraph (i) is a~~ MAY NOT BE A member of <—
25 ~~the General Assembly, the individual may name a designee.~~ <—
26 ASSEMBLY OR STAFF OF A MEMBER OF THE GENERAL ASSEMBLY. <—

27 (b) Organization.--The Governor shall select a member of the
28 board to serve as chairperson. The members shall select from
29 among themselves such officers as they shall determine.

30 (c) Meetings.--The board shall meet at the call of the

1 chairperson.

2 (d) Quorum.--Five members of the board shall constitute a
3 ~~quorum. The consent of at least five members of the board, with~~ <—
4 QUORUM, AND THE FOLLOWING SHALL APPLY: <—

5 (1) THE CONSENT OF AT LEAST FIVE MEMBERS OF THE BOARD,
6 WITH at least four of the consenting members being appointed
7 under subsection (a)(4), shall be necessary to take ~~any~~ <—
8 action on behalf of the authority FOR ANY OF THE FOLLOWING: <—

9 (I) ADOPTING BYLAWS.

10 (II) HIRING PROFESSIONALS UNDER SECTION 1513(A)(5)
11 AND (6) (RELATING TO POWERS).

12 (III) AUTHORIZING BONDS.

13 (IV) APPROVING PROJECTS AND CONTRACTS UNDER
14 SUBCHAPTER E (RELATING TO PROGRAMS).

15 (V) ADOPTING GUIDELINES RELATING TO THE
16 IMPLEMENTATION OF SUBCHAPTER E.

17 (2) A MAJORITY OF THE BOARD SHALL BE NECESSARY TO TAKE
18 ANY OTHER ACTION ON BEHALF OF THE AUTHORITY.

19 (e) Compensation.--The members of the board shall be
20 entitled to no compensation for their services as members of the
21 board but shall be entitled to reimbursement for all necessary
22 and reasonable expenses incurred in connection with the
23 performance of their duties as members of the board.

24 (f) Fiduciary relationship.--The members of the board and
25 the professional personnel of the board shall stand in a
26 fiduciary relationship with the Commonwealth and the authority
27 as to the ~~moneys in the fund,~~ moneys in the accounts of the <—
28 authority and investments of the authority.

29 (g) Standard of care.--The members of the board in
30 performance of their duties under this chapter shall exercise

1 the standard of care required by 20 Pa.C.S. Ch. 73 (relating to
2 municipalities investments).

3 (h) Liability.--Members of the board shall not be liable
4 personally on any obligations of the authority, including bonds
5 of the authority.

6 (I) INITIAL APPOINTMENT AND VACANCY.--APPOINTING AUTHORITIES <—
7 SHALL APPOINT INITIAL MEMBERS TO THE BOARD WITHIN 30 DAYS OF THE
8 EFFECTIVE DATE OF THIS CHAPTER. WHENEVER A VACANCY OCCURS ON THE
9 BOARD, THE APPOINTING AUTHORITY SHALL APPOINT A SUCCESSOR MEMBER
10 WITHIN 30 DAYS OF THE VACANCY.

11 § 1513. Powers.

12 (a) Powers.--The authority may do all of the following:

13 (1) Adopt bylaws and guidelines PROPOSED BY THE <—
14 DEPARTMENT as necessary.

15 (2) Sue and be sued, implead and be impleaded,
16 interplead, complain and defend in any court.

17 (3) Adopt, use and alter a corporate seal.

18 (4) Establish accounts necessary or desirable for its
19 corporate purposes.

20 ~~(5) Employ an executive director and other persons as <—
21 are necessary or convenient for carrying on the business of
22 the authority.~~

23 (5) EMPLOY AN EXECUTIVE DIRECTOR. <—

24 (6) Retain attorneys, accountants, auditors and
25 financial experts, to render services and engage the services
26 of other advisors, consultants and agents as necessary. For
27 the purposes of this paragraph, the authority shall be
28 considered an independent agency for purposes of the act of
29 October 15, 1980 (P.L.950, No.164), known as the Commonwealth
30 Attorneys Act.

1 (7) Pay or satisfy obligations of the authority.

2 (8) Contract and execute instruments, including
3 financing agreements, ~~letters of credit~~ LETTER OF CREDIT ←
4 AGREEMENTS, ~~LIQUIDATION~~ LIQUIDITY AGREEMENTS, guarantees, ←
5 sureties, mortgages, loans, standby loan commitments and
6 contracts of insurance, which are necessary or appropriate
7 for carrying on the business of the authority. This power
8 includes the ability to make and execute contracts for the
9 servicing of loans and mortgages acquired by the authority.

10 (9) Borrow money, issue bonds, obtain lines and letters
11 of credit and incur debt.

12 (10) Pledge the credit of the authority and provide
13 security and liquidity to obligees of the authority as the
14 authority deems necessary or appropriate.

15 (11) Use or pledge an account for a special purpose,
16 including debt service reserves and other reserves, as may be
17 necessary or desirable to carry out its powers and duties.

18 (12) Negotiate modifications or alterations ~~in~~ TO ←
19 FINANCING AGREEMENTS, mortgages or security interests.

20 (13) Foreclose on a mortgage or security interest in
21 default.

22 (14) Commence any action necessary to protect or enforce
23 any right conferred upon the authority by law, mortgage,
24 security agreement, contract or other agreement.

25 (15) Bid for or purchase property which was the subject
26 of a mortgage or security interest at a foreclosure or other
27 sale and acquire and take possession of that property.

28 (16) Impose and collect fees and charges in connection
29 with loan commitments and servicing, including reimbursement
30 of costs of financing.

1 (17) Acquire, accept, purchase, receive, collect, hold,
2 convey and invest funds, fees and property, whether tangible
3 or intangible, from all sources, directly or by assignment,
4 pledge or otherwise.

5 (18) Sell, transfer, convey and dispose of any property,
6 whether tangible or intangible.

7 (19) Acquire and sell loans, mortgages and security
8 interests at public or private sale.

9 (20) Provide financial assistance to applicants and
10 project users.

11 (21) Agree to and comply with conditions attached to
12 Federal or Commonwealth assistance not inconsistent with the
13 provisions of this chapter.

14 (22) Make rules regarding the operation of properties
15 and facilities of the authority subject to agreements with
16 obligees of the authority.

17 (23) Develop, adopt and implement binding policies or
18 guidelines assuring all of the following:

19 (i) All persons are accorded equal opportunity in
20 employment and contracting associated with the programs
21 established under Subchapter E (relating to programs).
22 This paragraph includes the authority's contractors,
23 subcontractors, assignees, lessees, agents, vendors and
24 suppliers.

25 (ii) Contracting parties demonstrate diversity in
26 ownership of equity interests.

27 (24) Exercise rights provided by law for the benefit or
28 protection of the authority or obligees of the authority.

29 (25) Invest money of the authority not required for
30 immediate use, including proceeds from the sale of bonds, as

1 the board determines, subject to any agreement with
2 bondholders stated in the authorizing resolution providing
3 for the issuance of bonds.

4 (26) Procure insurance against any loss in connection
5 with its programs, property and other assets.

6 (27) Promulgate regulations and adopt guidelines and
7 statements of policy containing restrictions as it may deem
8 necessary and appropriate to effectuate the public purposes
9 of this chapter.

10 (28) Negotiate and enter into interest rate exchange
11 agreements, interest rate cap agreements, collar agreements,
12 corridor agreements, ceiling agreements, floor agreements,
13 forward agreements, float agreements and other similar
14 arrangements, which, in the judgment of the authority, will
15 assist the authority in managing the interest costs of the
16 authority.

17 (29) Enter into agreements with applicants and project
18 users providing, among other things, for any of the
19 following:

20 (i) Financial assistance.

21 (ii) Loan, rental or purchase price payments or
22 other payments, sufficient to amortize the principal,
23 interest and premium, if any, of bonds and contractual
24 obligations of the authority incurred to provide funds to
25 pay the costs of the projects being financed.

26 (iii) The applicants or project users to pay or
27 cause to be paid all other costs of acquiring,
28 constructing, maintaining and operating the projects
29 being financed.

30 (iv) Conveyance with or without consideration of any

1 part or all of a project being financed to the project
2 user or applicant on or before payment of all bonds and
3 contractual obligations of the authority incurred with
4 respect to the project.

5 (v) Other matters as are customary or as are deemed
6 necessary and appropriate by the authority.

7 (30) Do any appropriate act necessary or convenient to:

8 (i) carry out and effectuate the purposes of this
9 chapter; or

10 (ii) exercise the powers set forth in this
11 subsection, including any act reasonably implied from
12 those powers.

13 (b) Duties.--The authority shall do all of the following:

14 (1) Administer the programs established in Subchapter E
15 in accordance with this chapter.

16 (2) Fund the programs established in Subchapter E and 12
17 Pa.C.S. Ch. 29 (relating to machinery and equipment loans)
18 subject to Subchapter D (relating to funds, accounts,
19 indebtedness and use).

20 § 1514. Limitation.

21 Except upon foreclosure or default under a loan made under
22 this chapter, the board may not approve an application or
23 finance a project if the board or authority would be required to
24 operate, service or maintain the project under a lease or other
25 agreement.

26 SUBCHAPTER C

27 BONDS

28 Sec.

29 1521. Bonds issuance.

30 1522. Commonwealth taxation.

1 1523. Federal taxation.
2 1524. Validity of bonds; limitation on actions.
3 1525. Provisions of bonds; trust agreements.
4 1526. Validity of pledge.
5 1527. Commonwealth pledges.
6 1528. Bonds to be legal investments.

7 ~~1529. Bondholder rights.~~

<—

8 1529. RIGHTS AND REMEDIES OF OBLIGEEES.

<—

9 § 1521. Bonds issuance.

10 (a) Authorization.--The authority may issue limited
11 obligation revenue bonds and other types of limited obligation
12 revenue financing. Bonds issued and financing incurred pursuant
13 to this subchapter shall be subject to the limits set forth in
14 section 1543 (relating to indebtedness) and shall be in the name
15 ~~of the authority. The authority may issue both tax exempt bonds~~
16 OF THE AUTHORITY.

<—

<—

17 (B) TAXABILITY.--THE AUTHORITY MAY ISSUE BOTH TAX-EXEMPT
18 BONDS and taxable bonds to fund the programs established in
19 Subchapter E (relating to programs).

20 ~~(b) (Reserved).~~

<—

21 (c) Authorization requirements.--

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

24 (2) The resolution of the board authorizing an issuance
25 of bonds OR THE DOCUMENTS APPROVED BY THE RESOLUTION shall
26 provide that the bonds:

<—

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 30
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 bonds are 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 of the
29 authority or accounts pledged or available for their
30 repayment as authorized in this chapter which may include any

1 of the following:

2 (i) The proceeds of bonds.

3 (ii) Funds appropriated to the authority for
4 repayment as authorized in this chapter.

5 ~~(iii) In the case of a public project, the pledge of~~ ←
6 ~~fees, taxes and other revenues by a political subdivision~~
7 ~~or other instrumentality of the Commonwealth.~~

8 (3) All bonds shall contain on their faces statements to
9 the effect that:

10 (i) the authority is obligated to pay the principal
11 of or the interest on the bonds only from its revenues,
12 receipts or funds pledged or available for their payment
13 as authorized in this chapter;

14 (ii) neither the Commonwealth nor any political
15 subdivision is obligated to pay the principal or
16 interest; and

17 (iii) neither the faith and credit nor the taxing
18 power of the Commonwealth or any political subdivision is
19 pledged to the payment of the principal of or the
20 interest on the bonds.

21 (e) Sale.--

22 (1) Bonds may be sold at public sale, invited sale or
23 private sale for the price or prices the authority
24 determines.

25 (2) The authority shall ensure that minority-owned or
26 minority-controlled firms have an opportunity to participate
27 in a significant way in bonds sale activities.

28 (f) Interim receipts.--Pending the preparation of the
29 definitive bonds, interim receipts may be issued to the
30 purchaser or purchasers of the bonds and shall contain the terms

1 and conditions established by the authority.

2 (g) Negotiable instruments.--Bonds of the authority shall
3 have the qualities of negotiable instruments under 13 Pa.C.S.
4 (relating to commercial code).

5 (h) Use.--The authority may, as it deems necessary and
6 desirable, use the proceeds of bonds ~~issued~~ for any of the <—
7 following:

8 (1) Making loans, grants or guarantees ~~for costs of~~ <—
9 ~~projects.~~

10 (2) Purchasing loans, mortgages, security interests or
11 loan participations.

12 (3) Paying incidental expenses in connection with
13 activity under paragraphs (1) and (2), including
14 administrative costs of the authority and the department.

15 (4) Paying expenses of authorizing and issuing the
16 bonds.

17 (5) Paying principal, REDEMPTION OR PURCHASE PRICE AND <—
18 interest on bonds.

19 (6) Funding reserves.

20 (i) Refunding.--Subject to provisions of this chapter and
21 the terms of bonds or other contractual obligations issued in
22 accordance with this chapter, the authority may refund any
23 outstanding debt of the authority, whether the debt represents
24 principal or interest, in whole or in part, at any time. For the
25 purposes of this subsection, the term "refund" and its
26 variations means the issuance and sale of obligations the
27 proceeds of which are used or are to be used for the payment or
28 redemption of outstanding obligations upon or prior to maturity.

29 § 1522. Commonwealth taxation.

30 (a) General.--The effectuation of the purposes of the

1 authority is for the benefit of the people of this Commonwealth;
2 for the increase of commerce and prosperity; and for the
3 improvement of health, safety, welfare and living conditions.

4 (b) Authority.--Since the authority, as a public
5 instrumentality of the Commonwealth, will be performing
6 essential governmental functions in effectuating these purposes,
7 the authority is not required to pay any taxes or assessments
8 upon any property acquired or used or permitted to be used by
9 the authority for its purposes.

10 (c) Bonds.--Bonds issued by the authority, the transfer and
11 the income from the bonds, including profit made on their sale,
12 are free from State and local taxation within this Commonwealth.
13 The exclusion under this subsection shall not extend to gift,
14 estate, succession or inheritance taxes or any other taxes not
15 levied directly on the bonds, their transfer, the income from
16 the bonds or the realization of profits on their sale.

17 § 1523. Federal taxation.

18 (a) Allocation.--If the bonds issued by the authority for a
19 project are tax-exempt bonds for which Federal law requires an
20 allocation, the department may issue an allocation upon receipt
21 of a written request by the board. An allocation must be issued
22 by the department prior to the approval of the resolution
23 authorizing the issuance of the bonds by the board.

24 (b) Approval.--If gubernatorial approval is required by
25 Federal or Commonwealth law, the Governor may approve the
26 issuance of bonds by the authority upon receipt of written
27 request for approval from the board. The written request must
28 state all of the following:

29 (1) The authority has conducted a public hearing, with
30 appropriate public notice, concerning the purposes for which

1 the bonds are to be issued.

2 (2) A description of the project or projects to be
3 financed.

4 (3) A description of the method of financing the project
5 or projects.

6 (4) A summary of the comments made and questions posed
7 at the public hearing.

8 § 1524. Validity of bonds; limitation on actions.

9 (a) Presumption.--Bonds reciting in substance that they have
10 been issued by the authority to accomplish the public purposes
11 of this chapter shall be conclusively deemed in any suit, action
12 or proceeding involving the validity or enforceability of the
13 bonds or their security to have been issued for the public
14 purposes of this chapter.

15 (b) Estoppel.--After issuance, bonds shall be conclusively
16 presumed to be fully authorized and issued under the laws of
17 this Commonwealth; and any person shall be estopped from
18 questioning their validity, sale, execution or delivery by the
19 authority.

20 § 1525. Provisions of bonds; trust agreements.

21 A resolution authorizing the issuance of bonds or any trust
22 agreement approved in OR BY a resolution authorizing the
23 issuance of bonds may contain provisions which do any of the
24 following:

25 (1) Secure the bonds.

26 (2) Covenant against any of the following:

27 (i) Pledging or granting a security interest in all
28 or any part of the authority's revenues or all or any
29 part of its property to which its right or title exists
30 or which may later come into existence.

1 (ii) Permitting or suffering any lien on all or any
2 part of its revenues or property.

3 (iii) Extending the time for the payment of bonds or
4 interest.

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

8 (4) Covenant as to any of the following:

9 (i) Additional bonds to be issued.

10 (ii) Limitations on additional bonds.

11 (iii) Terms and conditions of additional bonds.

12 (iv) Custody, application, investment and
13 disposition of proceeds of bonds.

14 (v) Incurring of other debts or obligations by the
15 authority.

16 (vi) Payment of principal of or interest on bonds.

17 (vii) Sources and methods of payment.

18 (viii) Rank or priority of bonds with respect to
19 liens or security interests.

20 (ix) Redemption, purchase and tender of bonds by the
21 authority or the bondholders and the privilege of
22 exchange of the bonds for other bonds.

23 (x) Use, investment and disposition of the money
24 held in special funds, accounts or reserves.

25 (xi) Use of any or all of the authority's real or
26 personal property.

27 (xii) Warrant of title to the authority's real or
28 personal property.

29 (5) Provide for any of the following:

30 (i) Replacement of lost, stolen, destroyed or

1 mutilated bonds.

2 (ii) Maintenance of the authority's real and
3 personal property.

4 (iii) Replacement of the authority's real and
5 personal property.

6 (iv) Insurance to be carried on the authority's real
7 and personal property and the use and disposition of the
8 insurance proceeds.

9 (v) Rights, liabilities, powers and duties arising
10 upon the breach of any covenant, condition or obligation.

11 (6) Create or authorize the creation of special funds or
12 accounts to be held in trust or otherwise for the benefit of
13 bondholders or of reserves for debt service or other
14 purposes.

15 (7) ~~Obtain~~ PROVIDE FOR OBTAINING letters of credit, bond ←
16 insurance and other facilities for credit enhancement and
17 liquidity.

18 (8) Prescribe any of the following:

19 (i) Procedure, if any, by which the terms of any
20 contract with bondholders may be amended or abrogated.

21 (ii) Percentage of the principal amount of bonds the
22 holders of which must consent to the amendment or
23 abrogation of any contract.

24 (iii) Manner in which the consent under subparagraph
25 (ii) may be given.

26 (9) Prescribe any of the following:

27 (i) Events of default.

28 (ii) Terms and conditions upon which any or all of
29 the bonds become or may be declared due and payable
30 before stated maturity following an event of default.

1 (iii) Terms and conditions upon which the
2 declaration of default and its consequence may be waived.

3 (10) Pay the costs or expenses incident to any of the
4 following:

5 (i) The enforcement of the bonds.

6 (ii) The provisions of the resolution authorizing
7 the issuance of the bonds.

8 (iii) The trust agreement securing the bonds.

9 (iv) Any covenant or agreement of the authority with
10 the holders of the bonds or other obligees of the
11 authority.

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

20 (12) Limit the rights, powers and duties of a trustee
21 and the right of bondholders to appoint a trustee.

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

25 (14) Exercise all or any part or combination of the
26 powers granted in this chapter.

27 (15) Make covenants other than and in addition to the
28 covenants expressly authorized by this chapter.

29 (16) Do or refrain from doing any other act and thing
30 necessary, convenient or desirable in order to better secure

1 the bonds of the authority or, in the absolute discretion of
2 the authority, as will tend to make bonds of the authority
3 more marketable. This paragraph applies notwithstanding that
4 the COVENANT, act or thing may not be specifically enumerated <—
5 in this chapter as long as the COVENANT, act or thing is in <—
6 accordance with the intent of this chapter.

7 § 1526. Validity of pledge.

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

23 § 1527. Commonwealth pledges.

24 (a) Bondholders.--The Commonwealth pledges to and agrees
25 with each obligee of the authority that the Commonwealth will
26 not limit or alter the rights and powers vested in the authority
27 or otherwise created by this chapter in any manner inconsistent
28 with the obligations of the authority to its obligees until all
29 bonds at any time issued, together with the interest on the
30 bonds, are fully paid and discharged.

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

8 § 1528. Bonds to be legal investments.

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

13 (1) Government agencies.

14 (2) Insurance companies.

15 (3) Trust companies.

16 (4) Banking associations, banking corporations and
17 savings banks.

18 (5) Investment companies.

19 (6) Executors, trustees and other fiduciaries.

20 (7) Trustees of any retirement, pension or annuity fund
21 or system of the Commonwealth.

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

27 ~~§ 1529. Bondholder rights.~~ <—

28 § 1529. RIGHTS AND REMEDIES OF OBLIGEEES. <—

29 The rights and remedies conferred upon or granted to
30 ~~bondholders~~ OBLIGEEES OF THE AUTHORITY pursuant to this chapter <—

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

6 SUBCHAPTER D

7 FUNDS, ACCOUNTS, INDEBTEDNESS AND USE <—

8 Sec.

9 ~~1541. Fund.~~ <—

10 ~~1542. Accounts.~~

11 1541. TRUST ACCOUNTS. <—

12 1542. REVOLVING LOAN PROGRAM ACCOUNTS.

13 1543. Indebtedness.

14 1544. Use.

15 ~~§ 1541. Fund.~~ <—

16 ~~There is established a special fund to be known as the~~
17 ~~Commonwealth Financing Fund. The State Treasurer shall be the~~
18 ~~custodian of the fund, which shall be subject to the provisions~~
19 ~~of law applicable to funds listed in section 302 of the act of~~
20 ~~April 9, 1929 (P.L.343, No.176), known as The Fiscal Code. Any~~
21 ~~money appropriated to the authority shall be credited to the~~
22 ~~fund. Unless otherwise specified, all money appropriated to the~~
23 ~~authority shall be used by the authority to pay indebtedness~~
24 ~~incurred under section 1543(a) (relating to indebtedness). All~~
25 ~~money and investments on deposit in or credited to the fund~~
26 ~~shall be at all times property of the authority. The State~~
27 ~~Treasurer shall disburse money in the fund to the authority upon~~
28 ~~order of the board for use in accordance with this chapter.~~

29 ~~§ 1542. Accounts.~~

30 ~~(a) Establishment. The authority shall establish a~~

1 ~~revolving account for each of the following programs:~~

2 ~~(1) The Business in Our Sites Program established in~~
3 ~~section 1551 (relating to Business in Our Sites Program).~~

4 ~~(2) The First Industries Program established in section~~
5 ~~1552 (relating to First Industries Program).~~

6 ~~(b) Deposits. Any funds received by the authority under the~~
7 ~~Business in Our Sites Program shall be deposited in the account~~
8 ~~established in accordance with subsection (a)(1). Any funds~~
9 ~~received by the authority under the First Industries Program~~
10 ~~shall be deposited in the account established in accordance with~~
11 ~~subsection (a)(2).~~

12 § 1541. TRUST ACCOUNTS. ←

13 THE AUTHORITY SHALL ESTABLISH ONE OR MORE TRUST ACCOUNTS INTO
14 WHICH IT SHALL DEPOSIT THE PROCEEDS OF BONDS AUTHORIZED TO BE
15 ISSUED PURSUANT TO SECTION 1521 (RELATING TO BONDS ISSUANCE) TO
16 FUND THE PROGRAMS ESTABLISHED IN SUBCHAPTER E (RELATING TO
17 PROGRAMS) AND ANY OTHER MONEYS LEGALLY AVAILABLE FOR THE
18 PURPOSE. MONEYS HELD IN AN ACCOUNT ESTABLISHED UNDER THIS
19 SECTION MAY BE PLEDGED BY THE AUTHORITY TO SECURE PAYMENT OF THE
20 BONDS.

21 § 1542. REVOLVING LOAN PROGRAM ACCOUNTS.

22 (A) THE BUSINESS IN OUR SITES PROGRAM ACCOUNT.--THE
23 AUTHORITY SHALL ESTABLISH AN ACCOUNT FOR THE PROGRAM ESTABLISHED
24 IN SECTION 1551 (RELATING TO BUSINESS IN OUR SITES PROGRAM).
25 PROCEEDS OF BONDS ISSUED TO FUND THE BUSINESS IN OUR SITES
26 PROGRAM AND ANY MONEYS RECEIVED AS LOAN REPAYMENTS UNDER THE
27 BUSINESS IN OUR SITES PROGRAM, OR MONEYS OTHERWISE MADE
28 AVAILABLE TO THE PROGRAM, SHALL BE DEPOSITED IN THE ACCOUNT AND
29 MADE AVAILABLE FOR ADDITIONAL PLANNING GRANTS, PROJECT GRANTS OR ←
30 LOANS FOR THE PURPOSES OF THE PROGRAM IN SECTION 1551, SUBJECT

1 TO THE PROVISIONS OF ANY PLEDGE TO OR AGREEMENT MADE BY THE
2 AUTHORITY WITH OBLIGEEES OF THE AUTHORITY.

3 (B) THE FIRST INDUSTRIES PROGRAM ACCOUNT.--THE AUTHORITY
4 SHALL ESTABLISH AN ACCOUNT FOR THE PROGRAM ESTABLISHED IN
5 SECTION 1552 (RELATING TO FIRST INDUSTRIES PROGRAM). PROCEEDS OF
6 BONDS ISSUED TO FUND THE FIRST INDUSTRIES PROGRAM, ANY MONEYS
7 RECEIVED AS LOAN REPAYMENTS OR IN REPAYMENT OR RECOVERY OF LOAN
8 GUARANTEES UNDER THE PROGRAM, OR MONEYS OTHERWISE MADE AVAILABLE
9 TO THE PROGRAM, SHALL BE DEPOSITED IN THE ACCOUNT AND MADE
10 AVAILABLE FOR ADDITIONAL PLANNING GRANTS OR LOANS OR USED FOR
11 ADDITIONAL LOAN GUARANTEES, AS PROVIDED IN SECTION 1552, SUBJECT
12 TO THE PROVISIONS OF ANY PLEDGE TO OR AGREEMENT MADE BY THE
13 AUTHORITY WITH OBLIGEEES OF THE AUTHORITY.

14 § 1543. Indebtedness.

15 (a) General rule.--Subject to the limitations of subsection
16 (b), the authority may, in its own name, incur indebtedness,
17 including through the issuance of bonds, in an amount necessary
18 to fund the program as established in Subchapter E (relating to
19 programs) and in 12 Pa.C.S. Ch. 29 (relating to machinery and
20 equipment loans).

21 (b) Program limitations.--Indebtedness incurred by the
22 authority under subsection (a) shall not, in aggregate, exceed
23 any of the following:

24 (1) \$300,000,000 for the program established in section
25 1551 (relating to Business in Our Sites Program).

26 (2) \$150,000,000 for the program established in section
27 1552 (relating to First Industries Program).

28 (3) \$60,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION ←
29 1557 (RELATING TO NEW PENNSYLVANIA VENTURE CAPITAL INVESTMENT
30 PROGRAM).

1 (4) \$150,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION
2 1555 (RELATING TO BUILDING PENNSYLVANIA PROGRAM).

3 (5) \$75,000,000 FOR THE PROGRAM ESTABLISHED IN 12
4 PA.C.S. CH. 29.

5 (6) \$250,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION
6 1554 (RELATING TO NEW PENNSYLVANIA VENTURE GUARANTEE
7 PROGRAM).

8 (7) \$100,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION
9 1556 (RELATING TO TAX INCREMENT FINANCING GUARANTEE PROGRAM).

10 (8) \$50,000,000 FOR THE PROGRAM ESTABLISHED IN SECTION
11 1553 (RELATING TO SECOND STAGE LOAN PROGRAM).

12 (C) FISCAL YEAR LIMITATIONS.--

13 (1) EXCEPT AS PROVIDED IN SUBSECTION (D) AND PARAGRAPHS
14 (2), (3) AND (4), THE AGGREGATE AMOUNT OF INDEBTEDNESS
15 INCURRED BY THE AUTHORITY, INCLUDING THROUGH THE ISSUANCE OF
16 BONDS, MAY NOT EXCEED \$250,000,000 REDUCED BY THE AGGREGATE
17 AMOUNT OF COMMONWEALTH INDEBTEDNESS INCURRED AS A RESULT OF
18 THE ACT OF FEBRUARY 12, 2004 (P.L.72, NO.10), KNOWN AS THE
19 WATER AND WASTEWATER TREATMENT PROJECT BOND ACT.

20 (2) EXCEPT AS PROVIDED IN SUBSECTION (D) AND PARAGRAPHS
21 (3) AND (4) AND UPON ADOPTION OF A RESOLUTION UNDER
22 SUBSECTION (F)(1), THE AGGREGATE AMOUNT OF INDEBTEDNESS
23 INCURRED BY THE AUTHORITY, INCLUDING THROUGH THE ISSUANCE OF
24 BONDS, MAY NOT EXCEED \$500,000,000 REDUCED BY THE AGGREGATE
25 AMOUNT OF COMMONWEALTH INDEBTEDNESS INCURRED AS A RESULT OF
26 THE WATER AND WASTEWATER TREATMENT PROJECT BOND ACT.

27 (3) EXCEPT AS PROVIDED IN SUBSECTION (D) AND PARAGRAPH
28 (4) AND UPON ADOPTION OF A RESOLUTION UNDER SUBSECTION
29 (F)(2), THE AGGREGATE AMOUNT OF INDEBTEDNESS INCURRED BY THE
30 AUTHORITY, INCLUDING THROUGH THE ISSUANCE OF BONDS, MAY NOT

1 EXCEED \$750,000,000 REDUCED BY THE AGGREGATE AMOUNT OF
2 COMMONWEALTH INDEBTEDNESS INCURRED AS A RESULT OF THE WATER
3 AND WASTEWATER TREATMENT PROJECT BOND ACT.

4 (4) EXCEPT AS PROVIDED IN SUBSECTION (D) AND UPON
5 ADOPTION OF A RESOLUTION UNDER SUBSECTION (F)(3), THE
6 AGGREGATE AMOUNT OF INDEBTEDNESS INCURRED BY THE AUTHORITY,
7 INCLUDING THROUGH THE ISSUANCE OF BONDS, MAY NOT EXCEED
8 \$1,000,000,000 REDUCED BY THE AGGREGATE AMOUNT OF
9 COMMONWEALTH INDEBTEDNESS INCURRED AS A RESULT OF THE WATER
10 AND WASTEWATER TREATMENT PROJECT BOND ACT.

11 (D) EXCEPTION.--SUBSECTION (C) SHALL NOT APPLY TO THE
12 AGGREGATE AMOUNT OF INDEBTEDNESS INCURRED BY THE AUTHORITY,
13 INCLUDING THROUGH THE ISSUANCE OF BONDS, FOR THE FOLLOWING
14 PROGRAMS:

15 (1) THE PROGRAM ESTABLISHED IN SECTION 1553 (RELATING TO
16 SECOND STAGE LOAN PROGRAM).

17 (2) THE PROGRAM ESTABLISHED IN SECTION 1554 (RELATING TO
18 NEW PENNSYLVANIA VENTURE GUARANTEE PROGRAM).

19 (3) THE PROGRAM ESTABLISHED IN SECTION 1556 (RELATING TO
20 TAX INCREMENT FINANCING GUARANTEE PROGRAM).

21 (E) CERTIFICATIONS.--

22 (1) BEGINNING WITH FISCAL YEAR 2005-2006 AND EACH FISCAL
23 YEAR THEREAFTER, AFTER THE FINAL ESTIMATE REQUIRED BY SECTION
24 618 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS
25 THE ADMINISTRATIVE CODE OF 1929, IS SIGNED FOR THE FISCAL
26 YEAR, THE SECRETARY OF THE BUDGET SHALL CERTIFY TO THE BOARD
27 ALL OF THE FOLLOWING:

28 (I) WHETHER SUFFICIENT SURPLUS REVENUES WILL EXIST
29 IN THE GENERAL FUND FOR THE TWO SUCCEEDING FISCAL YEARS
30 IMMEDIATELY FOLLOWING THE FISCAL YEAR FOR WHICH THE

1 ESTIMATE WAS SIGNED TO PAY ANY LIABILITIES WHICH WOULD BE
2 INCURRED BY THE COMMONWEALTH DURING THOSE YEARS IF THE
3 AUTHORITY INCURS AN ADDITIONAL \$250,000,000 OF
4 INDEBTEDNESS.

5 (II) THE AGGREGATE AMOUNT OF LIABILITIES WHICH WOULD
6 BE INCURRED BY THE COMMONWEALTH FOR THE TWO SUCCEEDING
7 FISCAL YEARS IMMEDIATELY FOLLOWING THE FISCAL YEAR FOR
8 WHICH THE ESTIMATE WAS SIGNED WHICH ARE A RESULT OF THE
9 ACTIVITIES BY THE AUTHORITY.

10 (2) THE SECRETARY OF THE BUDGET SHALL PUBLISH THE
11 CERTIFICATION IN THE PENNSYLVANIA BULLETIN AS SOON AS
12 POSSIBLE.

13 (F) INCREASES.--

14 (1) AFTER PUBLICATION OF THE CERTIFICATION REQUIRED BY
15 SUBSECTION (E) FOR THE FISCAL YEAR 2005-2006, UNLESS THE
16 SECRETARY OF THE BUDGET CERTIFIES UNDER SUBSECTION (E) THAT
17 THE SUFFICIENT SURPLUS REVENUES WILL NOT EXIST, THE BOARD MAY
18 ADOPT A RESOLUTION AUTHORIZING THE INCURRING OF ADDITIONAL
19 INDEBTEDNESS SUBJECT TO THE LIMITATION OF SUBSECTION (C)(2).
20 IF THE SECRETARY OF THE BUDGET CERTIFIES UNDER SUBSECTION (E)
21 THAT THE SUFFICIENT SURPLUS REVENUES WILL NOT EXIST,
22 INDEBTEDNESS OF THE AUTHORITY SHALL REMAIN SUBJECT TO
23 SUBSECTION (C)(1); AND UPON PUBLICATION OF A CERTIFICATION
24 UNDER SUBSECTION (E) THAT SUFFICIENT SURPLUS REVENUES WILL
25 EXIST, THE BOARD MAY ADOPT A RESOLUTION AUTHORIZING THE
26 INCURRING OF ADDITIONAL INDEBTEDNESS SUBJECT TO SUBSECTION
27 (C)(2).

28 (2) FOR THE FISCAL YEAR FOLLOWING THE ADOPTION OF A
29 RESOLUTION UNDER PARAGRAPH (1), UNLESS THE SECRETARY OF THE
30 BUDGET CERTIFIES UNDER SUBSECTION (E) THAT THE SUFFICIENT

1 SURPLUS REVENUES WILL NOT EXIST, THE BOARD MAY ADOPT A
2 RESOLUTION AUTHORIZING THE INCURRING OF ADDITIONAL
3 INDEBTEDNESS SUBJECT TO THE LIMITATION OF SUBSECTION (C)(3).
4 IF THE SECRETARY OF THE BUDGET CERTIFIES UNDER SUBSECTION (E)
5 THAT THE SUFFICIENT SURPLUS REVENUES WILL NOT EXIST,
6 INDEBTEDNESS OF THE AUTHORITY SHALL REMAIN SUBJECT TO
7 SUBSECTION (C)(2); AND UPON PUBLICATION OF A CERTIFICATION
8 UNDER SUBSECTION (E) THAT SUFFICIENT SURPLUS REVENUES WILL
9 EXIST, THE BOARD MAY ADOPT A RESOLUTION AUTHORIZING THE
10 INCURRING OF ADDITIONAL INDEBTEDNESS SUBJECT TO SUBSECTION
11 (C)(3).

12 (3) FOR THE FISCAL YEAR FOLLOWING THE ADOPTION OF A
13 RESOLUTION UNDER PARAGRAPH (2), UNLESS THE SECRETARY OF THE
14 BUDGET CERTIFIES UNDER SUBSECTION (E) THAT THE SUFFICIENT
15 SURPLUS REVENUES WILL NOT EXIST, THE BOARD MAY ADOPT A
16 RESOLUTION AUTHORIZING THE INCURRING OF ADDITIONAL
17 INDEBTEDNESS SUBJECT TO THE LIMITATION OF SUBSECTION (C)(4).
18 IF THE SECRETARY OF THE BUDGET CERTIFIES UNDER SUBSECTION (E)
19 THAT THE SUFFICIENT SURPLUS REVENUES WILL NOT EXIST,
20 INDEBTEDNESS OF THE AUTHORITY SHALL REMAIN SUBJECT TO
21 SUBSECTION (C)(3); AND UPON PUBLICATION OF A CERTIFICATION
22 UNDER SUBSECTION (E) THAT SUFFICIENT SURPLUS REVENUES WILL
23 EXIST, THE BOARD MAY ADOPT A RESOLUTION AUTHORIZING THE
24 INCURRING OF ADDITIONAL INDEBTEDNESS SUBJECT TO SUBSECTION
25 (C)(4).

26 § 1544. Use.

27 (a) General rule.--Money of the authority shall be used by
28 the board to fund the programs established in Subchapter E
29 (relating to programs) and in 12 Pa.C.S. Ch. 29 (relating to
30 machinery and equipment loans).

1 (b) Transfer.--By ~~June 30, 2006~~ DECEMBER 31, 2006, the <—
2 authority shall transfer in the aggregate \$75,000,000 to the
3 department for deposit in the account created by 12 Pa.C.S §
4 2904 (relating to Machinery and Equipment Loan Fund).

5 (c) Administrative expenses.--The authority may use moneys,
6 including the proceeds of bonds, to pay the administrative
7 expenses of the authority and of the department incurred under
8 this chapter.

9 SUBCHAPTER E

10 PROGRAMS

11 Sec.

12 1551. Business in Our Sites Program.

13 1552. First Industries Program.

14 1553. SECOND STAGE LOAN PROGRAM. <—

15 1554. NEW PENNSYLVANIA VENTURE GUARANTEE PROGRAM.

16 1555. BUILDING PENNSYLVANIA PROGRAM.

17 1556. TAX INCREMENT FINANCING GUARANTEE PROGRAM.

18 1557. NEW PENNSYLVANIA VENTURE CAPITAL INVESTMENT PROGRAM.

19 § 1551. Business in Our Sites Program.

20 (a) Establishment.--There is established a program to be
21 known as the Business in Our Sites Program. The program shall
22 provide financial assistance for the preparation of sites
23 located within this Commonwealth for future development.

24 (b) Applications for planning grants.--A municipality,
25 municipal authority, redevelopment authority or industrial
26 development agency may submit an application to the authority
27 requesting a planning grant for costs associated with
28 predevelopment activities and feasibility studies for a project.
29 The application shall be on the form required by the board and
30 shall include or demonstrate all of the following:

- 1 (1) The applicant's name and address.
- 2 (2) The location of the project.
- 3 (3) A statement that the project is consistent with any
4 existing comprehensive county plan where the project is
5 located.
- 6 (4) A description of the project, which includes a
7 statement that:
- 8 (i) the project is for the redevelopment, reuse or
9 revitalization of previously developed land, including
10 previously mined areas; or
- 11 (ii) the project is for the development of
12 undeveloped land which may be the subject of future
13 development pursuant to any existing comprehensive
14 municipal plan.
- 15 (5) An estimate of the cost of the predevelopment
16 activities and feasibility studies.
- 17 (6) A statement of the amount of the planning grant
18 sought.
- 19 (7) Any other information required by the board.

20 (c) Review and approval of planning grant applications.--

21 (1) The board shall review the application. Upon being
22 satisfied that all requirements have been met, the board may
23 approve the application and, IF APPROVED, the authority shall <—
24 award a planning grant.

25 (2) Copies of all reports and studies prepared with
26 planning grant funds shall be ~~provided to the board~~ FILED <—
27 WITH THE AUTHORITY and shall be made available to any person
28 upon request.

29 (d) Applications for project financing.--A municipality,
30 municipal authority, redevelopment authority or industrial

1 development agency may submit an application to the authority
2 requesting a loan or a combination of a loan and project grant
3 for a project. A private developer may submit an application to
4 the board requesting a loan for a project. The application shall
5 be on the form required by the board and shall include or
6 demonstrate all of the following:

7 (1) The applicant's name and address.

8 (2) The location of the project.

9 (3) A statement that the project is consistent with any
10 existing comprehensive county plan where the project is
11 located.

12 (4) A description of the project, which includes a
13 statement that:

14 (i) the project is for the redevelopment, reuse or
15 revitalization of previously developed land, including
16 previously mined areas; or

17 (ii) the project is for the development of
18 undeveloped land which may be the subject of future
19 development pursuant to any existing comprehensive
20 municipal plan and is zoned for such development at the
21 time of application.

22 (5) An estimate of the cost of the project, prepared by
23 an engineer or other qualified professional.

24 (6) A statement of the amount of the loan or combined
25 loan and project grant sought. If the applicant is requesting
26 a project grant, a statement as to the financial necessity
27 for the project grant must be included.

28 (7) Proof that notification of the project has been sent
29 to the governing bodies of the county or counties and of the
30 municipality or municipalities in which the project is

1 located.

2 (8) Any other information required by the board.

3 (e) Review of project financing applications.--The board
4 shall review the application to determine all of the following:

5 (1) That the project is consistent with any existing
6 comprehensive county plan where the project is located.

7 (2) That the project is the redevelopment, reuse or
8 revitalization of previously developed land, including
9 previously mined areas, or that the project is the
10 development of undeveloped land which may be the subject of
11 future development pursuant to any existing comprehensive
12 municipal plan and is zoned for such development at the time
13 of application.

14 (3) That the value of the proposed collateral and the
15 financial resources offered by the applicant are sufficient
16 to repay the loan.

17 (4) That there is a ~~likelihood of new use of the land or~~ <—
18 ~~buildings~~ SUBSTANTIAL LIKELIHOOD THE LAND OR BUILDINGS WILL <—
19 BE USED upon project completion.

20 (5) That the project will enable future employment
21 opportunities in, or have a net positive economic impact on,
22 the surrounding community.

23 (6) That the statement of the estimated cost of the
24 project is reasonable.

25 (7) That the applicant complied with all other criteria
26 established by the board.

27 (f) Approval of project financing applications.--Upon being
28 satisfied that all requirements have been met, the board may
29 approve the application and, IF APPROVED, the authority shall <—
30 award a loan or a combination of a loan and project grant ~~for~~ TO <—

1 BE USED FOR COSTS OF the project. A combined loan and project
2 grant may be awarded only if the board finds that the value of
3 the proposed collateral and the financial resources offered by
4 the applicant are not sufficient to repay a loan in the amount
5 of the total project cost.

6 (g) Limitations.--

7 (1) A planning grant awarded for a project under section
8 (c) shall not exceed \$250,000. No more than \$10,000,000 of
9 the funds made available for the program authorized by this
10 section may be used for planning grants.

11 (2) A project grant awarded under subsection (f) shall
12 not exceed 50% of the total amount of financing awarded by
13 the board for the project or \$5,000,000, whichever is less.
14 No more than one-third of the funds made available for the
15 program authorized by this section may be used for all
16 project grants.

17 (3) No more than 15% of the funds made available for the
18 program authorized by this section may be awarded for
19 projects located within any one city, town, borough or
20 township of this Commonwealth.

21 (4) The anticipated ~~new~~ use of the land or buildings may <—
22 not be ~~exclusively~~ PRIMARILY residential or primarily <—
23 recreational.

24 (5) A project grant may be used only for one or more of
25 the following purposes:

26 (i) Environmental assessment and remediation.

27 (ii) Site preparation, including earth moving
28 activities.

29 (iii) Demolition of structures.

30 (iv) Installation or rehabilitation of

1 infrastructure.

2 (v) Reimbursement of engineering and administrative
3 expenses associated with any of the activities listed in
4 subparagraphs (i) through (iv).

5 § 1552. First Industries Program.

6 (a) Establishment.--There is established a program to be
7 known as the First Industries Program. The program shall provide
8 financial assistance for projects related to tourism and
9 agriculture located within this Commonwealth. The board shall
10 allocate funds made available to the program among the different
11 methods of financing authorized in this section.

12 (b) Applications for planning grants.--An applicant may
13 submit an application to the authority requesting a planning
14 grant in an amount not to exceed \$250,000 for the costs of
15 predevelopment activities and feasibility studies for a project
16 related to tourism or agriculture. The application shall be on
17 the form required by the board and shall include or demonstrate
18 all of the following:

19 (1) The applicant's name and address.

20 (2) The location of the project.

21 (3) A description of the project.

22 (4) An estimate of the cost of the predevelopment
23 activities and feasibility studies and the goal to be
24 achieved by carrying out the proposed activities or studies.

25 (5) A statement of the amount of the planning grant
26 sought.

27 (6) Any other information required by the board.

28 (c) Review and approval of planning grant applications.--

29 (1) The board shall review the application to determine
30 that the project demonstrates one or more of the following:

1 (i) The project will have a demonstrable impact on
2 the economy or well-being of the neighborhood, community
3 or region where the project will be located.

4 (ii) The project will promote research and
5 development efforts leading to increased
6 commercialization or utilization of farm commodities.

7 (iii) The project will result in environmentally
8 friendly or energy efficient operations related to
9 agriculture, including projects authorized by the act of
10 December 12, 1994 (P.L.888, No.128), known as the
11 Agricultural By-Product Management Technology Act.

12 (iv) The project will result in more cost-effective
13 and efficient marketing of regional assets related to
14 tourism or agriculture.

15 (v) The project will result in a substantial
16 increase in revenues for the Commonwealth or the host
17 municipality.

18 (vi) The project proposes to utilize Commonwealth-
19 owned natural resources for public/private development of
20 tourism.

21 (2) Upon being satisfied that the requirements of
22 paragraph (1) have been met, the board may approve the
23 application and, IF APPROVED, the authority shall award a ←
24 planning grant.

25 (3) Copies of all reports and studies prepared with
26 planning grant funds shall be ~~provided to the board~~ FILED ←
27 WITH THE AUTHORITY and shall be made available to any person
28 upon request.

29 (d) Loans to applicants.--If the department approves an
30 application for a loan under the programs established in 12

1 Pa.C.S. Ch. 23 (relating to small business first) or 29
2 (relating to machinery and equipment loans), the department may
3 request that the authority finance the loan. Upon being
4 satisfied that the project is related to agriculture or tourism,
5 the board may approve the request and, IF APPROVED, the <—
6 authority shall award a loan. ~~Prior to providing loan funds to~~ <—
7 ~~the applicant, the authority shall enter into a loan agreement~~
8 ~~consistent with the requirements for loans made under the~~
9 ~~program established in 12 Pa.C.S. Ch. 23 or 29, whichever is~~
10 ~~appropriate.~~ Loans made under this subsection shall be
11 administered by the department. Payments received shall be
12 forwarded to the authority and credited to the account
13 established in accordance with section ~~1542(a)(2) (relating to~~ <—
14 ~~accounts)~~ 1542(B) (RELATING TO REVOLVING LOAN PROGRAM ACCOUNTS). <—

15 (e) Loan guarantees.--

16 (1) An applicant may request a guarantee for a loan to
17 be made by a commercial lending institution to assist with
18 the financing of a project related to tourism or agriculture.
19 The applicant may be the commercial lending institution
20 applying on behalf of a borrower. The application must be on
21 the form required by the board and must include or
22 demonstrate all of the following:

23 (i) The applicant's name and address. If the
24 applicant is a commercial lending institution, the
25 borrower's name and address.

26 (ii) A description of the project.

27 (iii) A statement describing the anticipated
28 economic impact to the Commonwealth and the host
29 municipality as a result of the project.

30 (iv) A description of the proposed project

1 financing, including terms, conditions and the collateral
2 or security required for the loan for which the guarantee
3 is being requested.

4 (v) A copy of the applicant's last two years of
5 financial statements prepared OR REPORTED ON by an ←
6 independent certified public accountant. If the applicant
7 is a commercial lending institution, a copy of the
8 borrower's last two years of financial statements
9 prepared OR REPORTED ON by an independent certified ←
10 public accountant.

11 (vi) The amount of the loan guarantee that is being
12 requested.

13 (vii) The total project cost and the identification
14 of all sources of capital for the project.

15 (viii) Any other information required by the board.

16 (2) The board shall review the application to determine
17 all of the following:

18 (i) That the project has been awarded a planning
19 grant under this section or that at least \$1,000,000 of
20 private funds are being invested in the project.

21 (ii) That the value of the proposed collateral is
22 sufficient to cover the full amount of the loan.

23 (iii) That the applicant complied with all other
24 criteria established by the board.

25 (3) Upon being satisfied that all requirements have been
26 met, the board may approve the guarantee and, IF APPROVED, ←
27 the authority shall execute a guarantee agreement in favor of
28 the commercial lending institution stating the terms and
29 amounts of the guarantee. The guarantee may not exceed 50% of
30 the outstanding principal amount of the loan or \$2,500,000 at

1 any point in time, whichever is less. In addition to any
2 other terms and conditions required by the board, the
3 guarantee agreement shall provide for all of the following:

4 (i) The procedure for the submission by the
5 commercial lending institution of a claim for payment.
6 This procedure shall require that the commercial lending
7 institution demonstrate that it has exhausted all
8 available remedies against the borrower, OTHER guarantors ←
9 and collateral before seeking payment under the
10 agreement.

11 (ii) A requirement that a percentage of any moneys
12 recovered subsequent to the payment of a claim by the
13 authority be remitted to the authority.

14 (iii) Periodic reporting requirements by the
15 commercial lending institution regarding itself and
16 regarding the loans which have been awarded guarantees
17 under this section.

18 (4) The board may establish a subcommittee composed of
19 one or more board members and department staff to supervise
20 the progress of projects for which loan guarantees have been
21 awarded under this section.

22 (f) Limitations.--

23 (1) No more than \$10,000,000 of the funds available for
24 the program authorized by this section may be used for
25 PLANNING grants awarded under subsection (c). ←

26 (2) At least two-thirds of the funds available for the
27 program authorized by this section shall be used for
28 financing of projects related to agriculture.

29 § 1553. SECOND STAGE LOAN PROGRAM. ←

30 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE

1 KNOWN AS THE SECOND STAGE LOAN PROGRAM. THE PROGRAM SHALL
2 PROVIDE LOAN GUARANTEES TO COMMERCIAL LENDING INSTITUTIONS THAT
3 MAKE LOANS TO LIFE SCIENCES, ADVANCED TECHNOLOGY OR
4 MANUFACTURING BUSINESSES.

5 (B) APPLICATION FOR ENROLLMENT.--A COMMERCIAL LENDING
6 INSTITUTION MAY APPLY FOR ENROLLMENT IN THE PROGRAM AUTHORIZED
7 BY THIS SECTION. THE APPLICATION SHALL BE ON THE FORM PRESCRIBED
8 BY THE BOARD AND SHALL INCLUDE OR DEMONSTRATE ALL OF THE
9 FOLLOWING:

10 (1) THE NAME AND ADDRESS OF THE COMMERCIAL LENDING
11 INSTITUTION AND THE NAME AND TITLE OF THE INDIVIDUAL WHO WILL
12 SERVE AS THE POINT OF CONTACT FOR THE COMMERCIAL LENDING
13 INSTITUTION.

14 (2) A STATEMENT DEFINING THE SERVICE AREA OF THE
15 COMMERCIAL LENDING INSTITUTION.

16 (3) A STATEMENT DESCRIBING THE COMMERCIAL LENDING
17 ACTIVITIES ENGAGED IN BY THE COMMERCIAL LENDING INSTITUTION
18 AND HOW THE INSTITUTION INTENDS TO EXPAND THOSE ACTIVITIES AS
19 A RESULT OF ITS PARTICIPATION IN THE PROGRAM AUTHORIZED BY
20 THIS SECTION.

21 (4) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

22 (C) ENROLLMENT APPROVAL.--UPON BEING SATISFIED THAT ALL
23 REQUIREMENTS HAVE BEEN MET, THE BOARD MAY ENROLL THE COMMERCIAL
24 LENDING INSTITUTION IN THE PROGRAM AUTHORIZED BY THIS SECTION
25 AND, IF ENROLLED, THE AUTHORITY SHALL EXECUTE A MASTER GUARANTEE
26 AGREEMENT IN FAVOR OF THE COMMERCIAL LENDING INSTITUTION. IN
27 ADDITION TO ANY OTHER TERMS AND CONDITIONS REQUIRED BY THE
28 BOARD, THE MASTER GUARANTEE AGREEMENT SHALL PROVIDE FOR THE
29 FOLLOWING:

30 (1) THE PROCEDURE FOR THE SUBMISSION OF A CLAIM FOR

1 PAYMENT BY THE COMMERCIAL LENDING INSTITUTION. THIS PROCEDURE
2 SHALL REQUIRE THAT THE COMMERCIAL LENDING INSTITUTION
3 DEMONSTRATE THAT IT HAS EXHAUSTED ALL AVAILABLE REMEDIES
4 AGAINST THE BORROWER, OTHER GUARANTORS AND COLLATERAL FOR THE
5 LOAN BEFORE SEEKING PAYMENT UNDER THE AGREEMENT.

6 (2) A REQUIREMENT THAT A PERCENTAGE OF ANY MONEYS
7 RECOVERED BY THE COMMERCIAL LENDING INSTITUTION SUBSEQUENT TO
8 ANY PAYMENT MADE UNDER THE MASTER GUARANTEE AGREEMENT BY THE
9 AUTHORITY BE REMITTED TO THE AUTHORITY.

10 (3) PERIODIC REPORTING REQUIREMENTS BY THE COMMERCIAL
11 LENDING INSTITUTION REGARDING ITSELF AND REGARDING THE LOANS
12 FOR WHICH GUARANTEE CERTIFICATES HAVE BEEN ISSUED UNDER THIS
13 SECTION.

14 (D) APPLICATION FOR GUARANTEE.--A COMMERCIAL LENDING
15 INSTITUTION ENROLLED IN THE PROGRAM AUTHORIZED BY THIS SECTION
16 MAY SUBMIT AN APPLICATION TO THE AUTHORITY FOR THE GUARANTEE OF
17 A PROPOSED LOAN. THE APPLICATION SHALL BE ON THE FORM PRESCRIBED
18 BY THE BOARD AND SHALL INCLUDE OR DEMONSTRATE ALL OF THE
19 FOLLOWING:

20 (1) THE NAME AND ADDRESS OF THE BORROWER, THE TYPE OF
21 BUSINESS THE BORROWER CONDUCTS, THE LOCATION AND AGE OF THE
22 BUSINESS AND THE NAMES AND ADDRESSES OF THE PRINCIPALS OF THE
23 BORROWER.

24 (2) THE NUMBER OF PROJECTED NEW OR RETAINED EMPLOYEES OF
25 THE BORROWER AS A RESULT OF THE LOAN.

26 (3) A COPY OF THE BORROWER'S LAST TWO YEARS OF FINANCIAL
27 STATEMENTS PREPARED OR REPORTED ON BY AN INDEPENDENT
28 CERTIFIED PUBLIC ACCOUNTANT.

29 (4) A STATEMENT DESCRIBING THE PURPOSE OF THE LOAN, THE
30 REQUESTED AMOUNT OF THE LOAN, A COPY OF THE COMMERCIAL

1 LENDING INSTITUTION'S COMMITMENT LETTER AND APPLICABLE CREDIT
2 UNDERWRITING THAT SUPPORTS THE REPAYMENT OF THE LOAN, AS WELL
3 AS THE COLLATERAL AND OTHER GUARANTEES OFFERED BY THE
4 BORROWER TO SUPPORT THE LOAN.

5 (5) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

6 (E) APPLICATION REVIEW.--

7 (1) THE BOARD SHALL REVIEW THE APPLICATION TO DETERMINE
8 ALL OF THE FOLLOWING:

9 (I) THAT THE BORROWER OWNS AND OPERATES A LIFE
10 SCIENCES, ADVANCED TECHNOLOGY OR MANUFACTURING BUSINESS.

11 (II) THAT THE BORROWER'S BUSINESS HAS BEEN IN
12 EXISTENCE FOR AT LEAST TWO YEARS BUT NO MORE THAN SEVEN
13 YEARS AT THE TIME OF APPLICATION.

14 (III) THAT THE BORROWER IS FINANCIALLY RESPONSIBLE
15 AND HAS THE ABILITY TO REPAY THE LOAN.

16 (IV) THAT THE USE OF LOAN PROCEEDS BY THE BORROWER
17 WILL RESULT IN JOBS BEING CREATED OR RETAINED WITHIN THIS
18 COMMONWEALTH.

19 (V) THAT THE BORROWER'S BUSINESS IS LOCATED WITHIN
20 THE COMMERCIAL LENDING INSTITUTION'S SERVICE AREA AND
21 WITHIN THIS COMMONWEALTH.

22 (VI) THAT THE BORROWER AND THE COMMERCIAL LENDING
23 INSTITUTION HAVE MET ALL OTHER REQUIREMENTS ESTABLISHED
24 BY THE BOARD.

25 (2) UPON BEING SATISFIED THAT ALL REQUIREMENTS HAVE BEEN
26 MET, THE BOARD MAY APPROVE THE GUARANTEE AND, IF APPROVED,
27 THE AUTHORITY SHALL ISSUE A GUARANTEE CERTIFICATE FOR THE
28 LOAN TO THE COMMERCIAL LENDING INSTITUTION STATING THE TERMS
29 AND AMOUNT OF THE GUARANTEE.

30 (3) THE BOARD MAY ESTABLISH A SUBCOMMITTEE COMPOSED OF

1 ONE OR MORE MEMBERS OF THE BOARD AND STAFF OF THE DEPARTMENT
2 TO REVIEW AND APPROVE APPLICATIONS FOR GUARANTEES UNDER THIS
3 SECTION.

4 (F) LIMITATIONS.--

5 (1) DURING THE FIRST TWO YEARS OF THE TERM OF A LOAN FOR
6 WHICH A GUARANTEE CERTIFICATE HAS BEEN ISSUED, THE GUARANTEE
7 MAY NOT EXCEED 50% OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE
8 LOAN. FROM THE END OF YEAR TWO THROUGH EITHER THE END OF YEAR
9 SEVEN OR THE END OF THE TERM OF THE LOAN, WHICHEVER OCCURS
10 FIRST, THE GUARANTEE MAY NOT EXCEED 25% OF THE OUTSTANDING
11 PRINCIPAL AMOUNT OF THE LOAN. THE GUARANTEE WILL TERMINATE AT
12 THE END OF SEVEN YEARS.

13 (2) AT NO TIME MAY A GUARANTEE EXCEED \$1,000,000 FOR ANY
14 ONE LOAN.

15 § 1554. NEW PENNSYLVANIA VENTURE GUARANTEE PROGRAM.

16 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE
17 KNOWN AS THE NEW PENNSYLVANIA VENTURE GUARANTEE PROGRAM. THE
18 PROGRAM SHALL PROVIDE GUARANTEES TO VENTURE CAPITAL PARTNERSHIPS
19 FOR INVESTMENTS IN PENNSYLVANIA-RELATED COMPANIES WHICH ARE IN
20 THE EARLY STAGE OR MID-STAGE OF DEVELOPMENT.

21 (B) GUARANTEE APPLICATIONS.--A VENTURE CAPITAL PARTNERSHIP
22 MAY SUBMIT AN APPLICATION TO THE AUTHORITY REQUESTING A
23 GUARANTEE OF INVESTMENTS OF PRINCIPAL TO BE MADE IN
24 PENNSYLVANIA-RELATED COMPANIES. THE APPLICATION SHALL BE ON THE
25 FORM PRESCRIBED BY THE BOARD AND SHALL INCLUDE OR DEMONSTRATE
26 ALL OF THE FOLLOWING:

27 (1) THE APPLICANT'S NAME AND ADDRESS AND THE ADDRESS OF
28 ALL OF THE APPLICANT'S OFFICES LOCATED IN PENNSYLVANIA.

29 (2) THE RESUMES OF THE INDIVIDUALS RESPONSIBLE FOR THE
30 INVESTMENT DECISIONS OF THE APPLICANT.

1 (3) A HISTORY OF THE APPLICANT'S DEVELOPMENT,
2 OPERATIONS, ACCOMPLISHMENTS AND HISTORICAL INVESTMENT
3 RETURNS, INCLUDING PAST PERFORMANCE OF PRINCIPALS AND
4 PARTNERS AND THE APPLICANT'S HISTORY OF INVESTMENTS IN
5 PENNSYLVANIA-RELATED COMPANIES.

6 (4) THE APPLICANT'S BUSINESS PLAN, WHICH MAY BE A
7 PRIVATE PLACEMENT MEMORANDUM PURSUANT TO 17 CFR §§ 230.501
8 THROUGH 230.508 (RELATING TO REGULATION D--RULES GOVERNING
9 THE LIMITED OFFER AND SALE OF SECURITIES WITHOUT REGISTRATION
10 UNDER THE SECURITIES ACT OF 1933).

11 (5) A DESCRIPTION OF THE INTENDED INDUSTRY SECTORS AND
12 STAGE OF INVESTMENT IN WHICH THE APPLICANT WILL INVEST AND
13 THE ANTICIPATED AMOUNT OF INVESTMENT TO BE MADE IN
14 PENNSYLVANIA-RELATED COMPANIES.

15 (6) A STATEMENT OF ANY RECENT CHANGES IN THE PRINCIPALS
16 OR PARTNERS OF THE APPLICANT.

17 (7) A STATEMENT OF THE FEES OR OTHER PAYMENT PROPOSED TO
18 BE PAID TO THE AUTHORITY BY THE APPLICANT AS CONSIDERATION
19 FOR THE ISSUANCE OF A GUARANTEE.

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

21 (C) APPLICATION REVIEW.--THE BOARD SHALL REVIEW THE
22 APPLICATION TO DETERMINE ALL OF THE FOLLOWING:

23 (1) THAT THE MANAGING PARTNER OF THE APPLICANT HAS
24 MANAGED ONE OR MORE VENTURE CAPITAL PARTNERSHIPS WHICH HAVE
25 PERFORMANCE RANKINGS IN THE TOP QUARTILE NATIONWIDE WHEN
26 COMPARED TO OTHER VENTURE CAPITAL PARTNERSHIPS WITH SIMILAR
27 INVESTMENTS MADE OVER THE SAME PERIOD OF TIME.

28 (2) THAT THE APPLICANT WILL INVEST AT LEAST \$15,000,000
29 IN PENNSYLVANIA-RELATED COMPANIES.

30 (3) THAT THE APPLICANT WILL AGREE TO NOTIFY THE BOARD OF

1 ALL ADVISORY, VALUATION AND ANNUAL MEETINGS OF THE APPLICANT
2 FOR THE DURATION OF THE GUARANTEE, AND WILL PERMIT A
3 REPRESENTATIVE OF THE BOARD TO ATTEND SUCH MEETINGS. THE
4 BOARD MAY REQUEST THAT THE APPLICANT PROVIDE REIMBURSEMENT
5 FOR REASONABLE TRAVEL EXPENSES IF MEETINGS ARE HELD OUTSIDE
6 OF THE COMMONWEALTH OR THAT A BOARD REPRESENTATIVE BE ABLE TO
7 PARTICIPATE IN MEETINGS BY ACCEPTABLE TELECOMMUNICATION
8 MEANS.

9 (4) THAT THE APPLICANT HAS OR WILL OPEN AN OFFICE IN
10 PENNSYLVANIA, STAFFED WITH AT LEAST ONE SENIOR-LEVEL PARTNER
11 AND WILL MAINTAIN THE OFFICE FOR THE DURATION OF THE
12 GUARANTEE.

13 (5) THAT THE APPLICANT WILL PROVIDE THE BOARD WITH ITS
14 ANNUAL FINANCIAL STATEMENTS, AUDITED BY A NATIONALLY
15 RECOGNIZED INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT, FOR THE
16 DURATION OF THE GUARANTEE. FINANCIAL STATEMENTS SHALL BE
17 PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING
18 PRINCIPLES.

19 (6) THAT THE BOARD WILL HAVE THE ABILITY TO DETERMINE
20 THAT THE SUBJECT OF A PROPOSED INVESTMENT TO BE COVERED BY
21 THE GUARANTEE IS A PENNSYLVANIA-RELATED COMPANY ACCEPTABLE TO
22 THE BOARD PRIOR TO THE APPLICANT MAKING AN INVESTMENT IN THE
23 COMPANY.

24 (7) THAT THE APPLICANT HAS COMPLIED WITH ALL OTHER
25 REQUIREMENTS ESTABLISHED BY THE BOARD.

26 (D) APPROVAL OF GUARANTEE.--UPON BEING SATISFIED THAT ALL
27 REQUIREMENTS HAVE BEEN MET, THE BOARD MAY APPROVE THE
28 APPLICATION AND, IF APPROVED, THE AUTHORITY SHALL EXECUTE A
29 GUARANTEE AGREEMENT IN FAVOR OF THE APPLICANT. IN ADDITION TO
30 ANY OTHER TERMS AND CONDITIONS REQUIRED BY THE BOARD, THE

1 GUARANTEE AGREEMENT SHALL PROVIDE FOR ALL OF THE FOLLOWING:

2 (1) THE PROCEDURE FOR THE SUBMISSION OF A CLAIM FOR
3 PAYMENT UNDER THE GUARANTEE AGREEMENT. A VENTURE CAPITAL
4 PARTNERSHIP WILL BE REQUIRED TO HAVE AN AUDIT PERFORMED BY A
5 NATIONALLY RECOGNIZED INDEPENDENT CERTIFIED PUBLIC ACCOUNTING
6 FIRM PRIOR TO NOTIFYING THE BOARD THAT IT IS MAKING A CLAIM
7 UNDER THE GUARANTEE. NO CLAIM MAY BE MADE PRIOR TO THE
8 COMPLETION OF THE SEVENTH YEAR FOLLOWING THE FIRST INVESTMENT
9 BY THE APPLICANT IN A PENNSYLVANIA-RELATED COMPANY WHICH IS
10 COVERED BY THE GUARANTEE.

11 (2) A PROVISION THAT THE GUARANTEE WILL COVER THE FIRST
12 LOSS OF THE AGGREGATE AMOUNT OF PRINCIPAL INVESTED IN
13 PENNSYLVANIA-RELATED COMPANIES COVERED BY THE GUARANTEE.

14 (3) A PROCEDURE AND SCHEDULE FOR THE PERIODIC
15 RECONCILIATION OF AMOUNTS PAYABLE UNDER THE GUARANTEE.

16 (4) A REQUIREMENT THAT ANY INCREASE IN THE VALUATION OF
17 INVESTMENTS IN PENNSYLVANIA-RELATED COMPANIES COVERED BY THE
18 GUARANTEE SUBSEQUENT TO THE PAYMENT OF A CLAIM BY THE
19 AUTHORITY WILL RESULT IN A PORTION OF THE PAYMENT BEING
20 RETURNED TO THE AUTHORITY.

21 (5) A PROCEDURE FOR AN EXPEDITIOUS PROCESS FOR THE BOARD
22 TO DETERMINE THAT PROPOSED INVESTMENTS TO BE COVERED BY THE
23 GUARANTEE WILL BE MADE TO PENNSYLVANIA-RELATED COMPANIES
24 ACCEPTABLE TO THE BOARD.

25 (6) A PROHIBITION AGAINST THE TRANSFER OF THE BENEFITS
26 OF THE GUARANTEE TO ANOTHER PERSON WITHOUT THE PRIOR APPROVAL
27 OF THE BOARD.

28 (E) LIMITATIONS.--

29 (1) THE LIABILITY OF THE AUTHORITY FOR ANY GUARANTEE
30 APPROVED UNDER THIS SECTION SHALL BE LIMITED TO THE APPROVED

1 AMOUNT OF THAT GUARANTEE.

2 (2) A GUARANTEE APPROVED BY THE BOARD SHALL NOT EXCEED
3 50% OF THE TOTAL INVESTMENTS MADE IN PENNSYLVANIA-RELATED
4 COMPANIES COVERED BY THE GUARANTEE OR \$37,500,000, WHICHEVER
5 IS LESS.

6 (3) THE BOARD MAY APPROVE ONE OR MORE GUARANTEES NOT TO
7 EXCEED \$50,000,000 IN THE AGGREGATE FOR VENTURE CAPITAL
8 PARTNERSHIPS IN WHICH THE STATE EMPLOYEES' RETIREMENT SYSTEM
9 OR THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IS A
10 LIMITED PARTNER.

11 (4) APPLICATIONS FOR GUARANTEES MAY BE ACCEPTED UNTIL
12 JULY 1, 2007, OR UNTIL THE AGGREGATE OF APPROVED GUARANTEES
13 EQUALS \$250,000,000, WHICHEVER OCCURS FIRST.

14 § 1555. BUILDING PENNSYLVANIA PROGRAM.

15 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE
16 KNOWN AS THE BUILDING PENNSYLVANIA PROGRAM. THE PROGRAM SHALL
17 PROVIDE LOANS TO FUND MANAGERS FOR INVESTMENT IN REAL ESTATE
18 PROJECTS WITHIN THIS COMMONWEALTH.

19 (B) REQUESTS FOR PROPOSALS.--THE BOARD SHALL ISSUE ONE OR
20 MORE REQUESTS FOR PROPOSALS IN ACCORDANCE WITH 62 PA.C.S. § 518
21 (RELATING TO COMPETITIVE SELECTION PROCEDURES FOR CERTAIN
22 SERVICES) FOR FUND MANAGERS. EACH REQUEST FOR PROPOSALS SHALL
23 INCLUDE ALL OF THE FOLLOWING:

24 (1) A STATEMENT THAT THE SERVICE BEING REQUESTED IS THE
25 INVESTMENT IN REAL ESTATE PROJECTS LOCATED IN THIS
26 COMMONWEALTH WHICH WILL BE ACQUIRED AND DEVELOPED,
27 REDEVELOPED OR REVITALIZED.

28 (2) A REQUEST TO SUPPLY ALL OF THE FOLLOWING
29 INFORMATION:

30 (I) THE FUND MANAGER'S NAME AND ADDRESS.

1 (II) THE RESUMES OF THE INDIVIDUALS RESPONSIBLE FOR
2 THE INVESTMENT DECISIONS OF THE FUND MANAGER.

3 (III) THE FUND MANAGER'S HISTORY OF INVESTMENTS IN
4 REAL ESTATE PROJECTS, INCLUDING THE NUMBER OF PREVIOUS
5 INVESTMENTS, RATES OF RETURN AND CAPITAL RAISED.

6 (IV) A DESCRIPTION OF THE PROPOSED APPROACH BY THE
7 FUND MANAGER TO INVESTMENTS IN REAL ESTATE PROJECTS
8 LOCATED IN THIS COMMONWEALTH.

9 (V) THE FUND MANAGER'S HISTORY OF INVESTMENTS IN
10 THIS COMMONWEALTH.

11 (VI) THE FUND MANAGER'S UNDERSTANDING OF THIS
12 COMMONWEALTH'S GEOGRAPHY AND ECONOMIC CLIMATE.

13 (VII) A STATEMENT BY THE FUND MANAGER OF THE AMOUNT
14 OF THE LOAN BEING REQUESTED.

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

16 (C) REVIEW OF PROPOSALS.--THE BOARD SHALL REVIEW THE
17 PROPOSALS AND DETERMINE THE FUND MANAGER OR MANAGERS BEST
18 QUALIFIED TO PROVIDE THE SERVICES DESCRIBED IN THE REQUEST FOR
19 PROPOSALS. IF THE BOARD DETERMINES THAT NO FUND MANAGER IS
20 QUALIFIED, THE BOARD MAY RE-ISSUE REQUESTS FOR PROPOSALS IN
21 ACCORDANCE WITH THIS SECTION.

22 (D) CONTRACT NEGOTIATIONS.--THE BOARD SHALL SELECT FOR
23 CONTRACT NEGOTIATION ONE OR MORE FUND MANAGERS WHO ARE
24 DETERMINED TO BE THE BEST QUALIFIED TO PROVIDE THE SERVICES
25 DESCRIBED IN THE REQUEST FOR PROPOSALS.

26 (E) AWARD.--THE AUTHORITY MAY ENTER INTO CONTRACTS WITH ONE
27 OR MORE FUND MANAGERS. THE CONTRACTS SHALL INCLUDE ALL OF THE
28 FOLLOWING PROVISIONS:

29 (1) THE TERMS OF REPAYMENT OF PRINCIPAL AND PAYMENT OF
30 INTEREST AND OTHER RETURN TO THE AUTHORITY.

1 (2) THAT THE FUND MANAGER WILL RAISE AND INVEST IN REAL
2 ESTATE PROJECTS LOCATED IN THIS COMMONWEALTH AT LEAST \$1 OF
3 NONPUBLIC EQUITY FOR EVERY \$1 OF LOAN FUNDS RECEIVED BY THE
4 FUND MANAGER UNDER THIS SECTION.

5 (3) THAT THE FUND MANAGER WILL EXERCISE THE STANDARD OF
6 CARE IN ITS RESPONSIBILITIES SET FORTH IN SUBSECTION (F).

7 (4) THAT THE FUND MANAGER WILL PROVIDE THE BOARD WITH
8 ITS ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE DURATION OF
9 THE LOAN. FINANCIAL STATEMENTS SHALL BE PREPARED IN
10 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

11 (5) THAT THE FUND MANAGER WILL INVEST IN INDUSTRIAL,
12 COMMERCIAL AND MULTIUSE REAL ESTATE PROJECTS LOCATED IN THIS
13 COMMONWEALTH WHICH WILL BE ACQUIRED AND DEVELOPED,
14 REDEVELOPED OR REVITALIZED, IN ACCORDANCE WITH THE PROVISIONS
15 OF THIS SECTION.

16 (6) ANY OTHER PROVISIONS REQUIRED BY THE BOARD.

17 (F) STANDARD OF CARE.--A FUND MANAGER AWARDED A CONTRACT
18 UNDER THIS SECTION SHALL EXERCISE THAT DEGREE OF JUDGMENT, SKILL
19 AND CARE UNDER THE CIRCUMSTANCES THEN PREVAILING WHICH PERSONS
20 OF PRUDENCE, DISCRETION AND INTELLIGENCE, WHO ARE FAMILIAR WITH
21 SUCH MATTERS, EXERCISE IN THE MANAGEMENT OF THEIR OWN AFFAIRS,
22 NOT IN REGARD TO SPECULATION, BUT IN REGARD TO THE PERMANENT
23 DISPOSITION OF FUNDS, CONSIDERING THE PROBABLE INCOME TO BE
24 DERIVED THEREFROM AS WELL AS THE PROBABLE SAFETY OF THEIR
25 CAPITAL.

26 (G) LIMITATIONS.--

27 (1) AT LEAST 50% OF THE FUNDS MADE AVAILABLE FOR THE
28 PROGRAM AUTHORIZED BY THIS SECTION MUST BE UTILIZED FOR
29 PROJECTS LOCATED IN AREAS OTHER THAN CITIES OF THE FIRST OR
30 SECOND CLASS.

1 (2) NO INVESTMENTS MAY BE MADE BY A FUND MANAGER IN REAL
2 ESTATE PROJECTS WHICH ARE PRIMARILY RESIDENTIAL OR PRIMARILY
3 RECREATIONAL.

4 § 1556. TAX INCREMENT FINANCING GUARANTEE PROGRAM.

5 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE
6 KNOWN AS THE TAX INCREMENT FINANCING GUARANTEE PROGRAM. THE
7 PROGRAM SHALL PROVIDE GUARANTEES FOR TAX INCREMENT FINANCING
8 BONDS OR OTHER INDEBTEDNESS ISSUED IN ACCORDANCE WITH THE ACT OF
9 JULY 11, 1990 (P.L.465, NO.113), KNOWN AS THE TAX INCREMENT
10 FINANCING ACT.

11 (B) APPLICATIONS FOR GUARANTEES.--AN ISSUING AUTHORITY MAY
12 SUBMIT AN APPLICATION TO THE AUTHORITY REQUESTING A GUARANTEE OF
13 BONDS OR OTHER INDEBTEDNESS TO BE ISSUED PURSUANT TO THE TAX
14 INCREMENT FINANCING ACT. THE APPLICATION MUST BE ON THE FORM
15 REQUIRED BY THE BOARD AND MUST INCLUDE OR DEMONSTRATE ALL OF THE
16 FOLLOWING:

17 (1) THE ISSUING AUTHORITY'S NAME AND ADDRESS.

18 (2) THE LOCATION OF THE PROJECT.

19 (3) A DESCRIPTION OF THE PROJECT, WHICH INCLUDES A
20 STATEMENT THAT THE PROJECT IS FOR THE:

21 (I) REDEVELOPMENT, REUSE OR REVITALIZATION OF
22 PREVIOUSLY DEVELOPED LAND, INCLUDING PREVIOUSLY MINED
23 AREAS; OR

24 (II) DEVELOPMENT OF UNDEVELOPED LAND WHICH MAY BE
25 THE SUBJECT OF FUTURE DEVELOPMENT PURSUANT TO ANY
26 EXISTING COMPREHENSIVE MUNICIPAL PLAN AND IS ZONED FOR
27 THAT DEVELOPMENT AT THE TIME OF APPLICATION.

28 (4) THAT THE REQUIREMENTS OF THE TAX INCREMENT FINANCING
29 ACT WILL BE COMPLIED WITH PRIOR TO THE ISSUANCE OF BONDS OR
30 OTHER INDEBTEDNESS BY THE ISSUING AUTHORITY.

1 (5) THAT THE INCREMENTAL TAX REVENUES TO BE REALIZED
2 FROM THE PROJECT WILL BE SUFFICIENT TO OFFSET THE AMOUNT OF
3 DEBT SERVICE TO BE PAID ON THE BONDS OR OTHER INDEBTEDNESS TO
4 BE ISSUED BY THE ISSUING AUTHORITY.

5 (6) THE AMOUNT OF THE GUARANTEE SOUGHT.

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

7 (C) REVIEW OF GUARANTEE APPLICATIONS.--THE BOARD SHALL
8 REVIEW THE APPLICATION TO DETERMINE ALL OF THE FOLLOWING:

9 (1) THAT THE PROJECT IS CONSISTENT WITH ANY EXISTING
10 COMPREHENSIVE COUNTY PLAN WHERE THE PROJECT IS LOCATED.

11 (2) THAT THE PROJECT IS FOR THE:

12 (I) REDEVELOPMENT, REUSE OR REVITALIZATION OF
13 PREVIOUSLY DEVELOPED LAND, INCLUDING PREVIOUSLY MINED
14 AREAS; OR

15 (II) DEVELOPMENT OF UNDEVELOPED LAND WHICH MAY BE
16 THE SUBJECT OF FUTURE DEVELOPMENT PURSUANT TO ANY
17 EXISTING ~~COMPREHENSIVE COUNTY PLAN OR~~ COMPREHENSIVE ←
18 MUNICIPAL PLAN AND IS ZONED FOR THAT DEVELOPMENT AT THE
19 TIME OF APPLICATION.

20 (3) THAT THE INCREMENTAL TAX REVENUES TO BE REALIZED AS
21 A RESULT OF THE PROJECT ARE SUFFICIENT TO REPAY THE BONDS OR
22 OTHER INDEBTEDNESS ISSUED.

23 (4) THAT THE PROJECT AND THE PROPOSED BOND ISSUE OR
24 ISSUANCE OF DEBT COMPLIES WITH THE REQUIREMENTS OF THE TAX
25 INCREMENT FINANCING ACT.

26 (5) THAT THE ISSUING AUTHORITY COMPLIED WITH ALL OTHER
27 CRITERIA ESTABLISHED BY THE BOARD.

28 (D) APPROVAL OF GUARANTEE APPLICATIONS.--UPON BEING
29 SATISFIED THAT ALL REQUIREMENTS HAVE BEEN MET, THE BOARD MAY
30 APPROVE THE APPLICATION AND, IF APPROVED, THE AUTHORITY SHALL

1 EXECUTE A GUARANTEE AGREEMENT IN FAVOR OF THE ISSUING AUTHORITY.
2 IN ADDITION TO ANY OTHER TERMS AND CONDITIONS REQUIRED BY THE
3 BOARD, THE GUARANTEE AGREEMENT SHALL PROVIDE FOR THE FOLLOWING:

4 (1) THE PROCEDURE FOR THE SUBMISSION OF A CLAIM FOR
5 PAYMENT UNDER THE GUARANTEE AGREEMENT. IF THE AUTHORITY MAKES
6 PAYMENT ON A CLAIM FOR PAYMENT SUBMITTED UNDER THE GUARANTEE
7 AGREEMENT, THE AUTHORITY MAY ASSUME ALL RIGHTS AND PRIVILEGES
8 PREVIOUSLY BELONGING TO THE BONDHOLDERS OR THE HOLDERS OF THE
9 DEBT AND MAY RENEGOTIATE THE TERMS OF REPAYMENT OF THE DEBT
10 ASSUMED BY THE AUTHORITY UNDER TERMS AS THE AUTHORITY DEEMS
11 APPROPRIATE.

12 (2) ANNUAL REPORTING BY THE ISSUING AUTHORITY ON THE
13 STATUS OF THE PROJECT, INCLUDING THE AMOUNT OF THE ANNUAL
14 DEBT SERVICE AND THE ANNUAL VALUE OF THE INCREMENTAL TAX
15 REVENUES.

16 (E) LIMITATIONS.--NO GUARANTEE APPROVED BY THE BOARD MAY
17 EXCEED \$5,000,000.

18 § 1557. NEW PENNSYLVANIA VENTURE CAPITAL INVESTMENT PROGRAM.

19 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A PROGRAM TO BE
20 KNOWN AS THE NEW PENNSYLVANIA VENTURE CAPITAL INVESTMENT
21 PROGRAM. THE PROGRAM SHALL PROVIDE LOANS TO VENTURE CAPITAL
22 PARTNERSHIPS FOR INVESTMENT IN PENNSYLVANIA-RELATED COMPANIES. <—
23 ~~WHICH IS~~ THE NATURE OF THE INVESTMENTS SHALL BE EQUITY OR <—
24 CONVERTIBLE DEBT.

25 (B) APPLICATIONS.--A VENTURE CAPITAL PARTNERSHIP SEEKING TO
26 MAKE INVESTMENTS IN PENNSYLVANIA-RELATED COMPANIES MAY SUBMIT AN
27 APPLICATION FOR A LOAN TO THE AUTHORITY. THE APPLICATION MUST BE
28 ON THE FORM REQUIRED BY THE BOARD AND SHALL INCLUDE OR
29 DEMONSTRATE ALL OF THE FOLLOWING:

30 (1) THE APPLICANT'S NAME.

1 (2) THE ADDRESS OF THE APPLICANT AND A LIST OF ALL
2 OFFICES OF THE APPLICANT LOCATED IN THIS COMMONWEALTH.

3 (3) THE APPLICANT'S BUSINESS PLAN, WHICH MAY BE A
4 PRIVATE PLACEMENT MEMORANDUM PURSUANT TO 17 CFR §§ 230.501
5 THROUGH 230.508 (RELATING TO REGULATION D--RULES GOVERNING
6 THE LIMITED OFFER AND SALE OF SECURITIES WITHOUT REGISTRATION
7 UNDER THE SECURITIES ACT OF 1933).

8 (4) A HISTORY OF THE APPLICANT'S DEVELOPMENT,
9 OPERATIONS, ACCOMPLISHMENTS AND HISTORICAL INVESTMENT
10 RETURNS, INCLUDING PAST PERFORMANCE OF PRINCIPALS AND
11 PARTNERS.

12 (5) A DESCRIPTION OF THE INTENDED INDUSTRY SECTORS AND
13 STAGE OF INVESTMENT IN WHICH THE APPLICANT WILL INVEST.

14 (6) A DESCRIPTION OF THE APPLICANT'S CURRENT AND
15 PROPOSED RELATIONSHIP WITH ORGANIZATIONS IN THIS COMMONWEALTH
16 THAT FOSTER ECONOMIC DEVELOPMENT.

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

18 (C) APPLICATION REVIEW.--THE BOARD SHALL REVIEW THE
19 APPLICATION TO DETERMINE ALL OF THE FOLLOWING:

20 (1) IF THE APPLICANT HAS INVESTED IN PENNSYLVANIA-
21 RELATED COMPANIES IN THE PAST.

22 (2) IF THE APPLICANT HAS DEMONSTRATED STRONG
23 RELATIONSHIPS WITH ORGANIZATIONS IN THIS COMMONWEALTH WHICH
24 FOSTER ECONOMIC DEVELOPMENT.

25 (3) THAT THE APPLICANT HAS DEMONSTRATED A SATISFACTORY
26 INVESTMENT PERFORMANCE RECORD.

27 (4) THAT THE APPLICANT HAS DEMONSTRATED THAT IT CAN AND
28 WILL RAISE AND INVEST IN PENNSYLVANIA-RELATED COMPANIES AT
29 LEAST \$1 OF NONPUBLIC EQUITY FOR EVERY \$1 OF LOAN FUNDS
30 RECEIVED BY THE APPLICANT UNDER THIS SECTION.

1 (5) THAT THE APPLICANT HAS OR WILL OPEN AN OFFICE IN
2 PENNSYLVANIA, STAFFED WITH AT LEAST ONE SENIOR-LEVEL PARTNER
3 AND WILL MAINTAIN SUCH OFFICE FOR THE DURATION OF THE LOAN.

4 (6) THAT THE APPLICANT COMPLIED WITH ALL OTHER CRITERIA
5 ESTABLISHED BY THE BOARD.

6 (D) APPROVAL OF THE APPLICATIONS.--

7 (1) UPON BEING SATISFIED THAT ALL REQUIREMENTS HAVE BEEN
8 MET, THE BOARD MAY APPROVE THE APPLICATION AND, IF APPROVED,
9 THE AUTHORITY SHALL AWARD A LOAN. THE BOARD SHALL ESTABLISH
10 THE TERM OF REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST
11 AND OTHER RETURN TO THE AUTHORITY AND ALL OTHER TERMS AND
12 CONDITIONS OF THE LOAN CONSISTENT WITH THE PROVISIONS OF THIS
13 SECTION.

14 (2) IN APPROVING APPLICATIONS, THE BOARD SHALL CONSIDER
15 WHETHER AN APPLICANT HAS HAD AN OFFICE IN THIS COMMONWEALTH
16 FOR AT LEAST THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF
17 THE APPLICANT'S APPLICATION.

18 (E) LIMITATION.--

19 (1) ALL LOANS AWARDED TO VENTURE CAPITAL PARTNERSHIPS
20 UNDER THIS SECTION AND THE MATCHING NONPUBLIC EQUITY SHALL BE
21 INVESTED IN PENNSYLVANIA-RELATED COMPANIES.

22 (2) AT LEAST 50% OF THE FUNDS MADE AVAILABLE FOR THE
23 PROGRAM UNDER THIS SECTION SHALL BE USED TO MAKE LOANS TO <—
24 ~~BUSINESSES WHICH HAVE PRIMARY OFFICES STAFFED WITH AT LEAST~~
25 ~~ONE SENIOR LEVEL PARTNER~~ FOR INVESTMENTS IN PENNSYLVANIA- <—
26 RELATED COMPANIES LOCATED IN PENNSYLVANIA COUNTIES WHICH ARE
27 OUTSIDE THE PHILADELPHIA METROPOLITAN STATISTICAL AREA AND
28 WHICH ~~DO NOT~~ HAVE A POPULATION OF 1,000,000 OR MORE LESS, <—
29 BASED ON THE 2000 DECENNIAL CENSUS OF THE BUREAU OF THE
30 CENSUS.

1 (3) AT LEAST 50% OF THE FUNDS MADE AVAILABLE FOR THE <—
2 PROGRAM UNDER THIS SECTION SHALL BE USED TO MAKE LOANS TO
3 VENTURE CAPITAL PARTNERSHIPS WHICH HAVE PRIMARY OFFICES
4 STAFFED WITH AT LEAST ONE SENIOR-LEVEL PARTNER LOCATED IN
5 PENNSYLVANIA COUNTIES WHICH ARE OUTSIDE THE PHILADELPHIA
6 METROPOLITAN STATISTICAL AREA AND WHICH HAVE A POPULATION OF
7 1,000,000 OR LESS, BASED ON THE 2000 DECENNIAL CENSUS OF THE
8 BUREAU OF THE CENSUS.

9 Section ~~1.1~~ 2. The heading of Part II of Title 64 is amended <—
10 to read:

11 PART [II] III
12 PUBLIC AUTHORITIES

13 Section ~~1.2~~ 3. The General Assembly finds and declares that <—
14 authorized investments, loans and guarantees ~~of the fund or the~~ <—
15 ~~accounts made under this act, whereby the fund or the account~~
16 MADE UNDER 64 PA.C.S. CH. 15, WHEREBY THE AUTHORITY becomes a <—
17 joint owner, member, limited partner or stockholder in, lender
18 to or guarantor of obligations of a company, corporation,
19 limited partnership, company, association or other lawful
20 business organization, are outside the scope of the original
21 intent of and do not violate the prohibition set forth in
22 section 8 of Article VIII of the Constitution of Pennsylvania.

23 Section ~~2~~ 4. Money appropriated to the Department of <—
24 Community and Economic Development for the ~~Base Retention and~~ <—
25 ~~Conversion Pennsylvania Action Committee~~ PREVENTION OF MILITARY <—
26 BASE REALIGNMENT AND CLOSURE shall be used for all of the
27 following:

- 28 (1) The development of a Statewide strategy.
29 (2) Grants for economic impact studies, environmental
30 impact studies, encroachment studies, community and regional

1 interaction with military bases, infrastructure needs at
2 military bases and job training needs at or near military
3 bases. Grants shall be awarded by the Base Retention and
4 Conversion Pennsylvania Action Committee.

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

13 SECTION 6. SEVERABILITY SHALL BE AS FOLLOWS: ←

14 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2):

15 (I) THE PROVISIONS OF THIS ACT ARE SEVERABLE.

16 (II) IF ANY PROVISION OF THIS ACT OR ITS APPLICATION
17 TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE
18 INVALIDITY SHALL NOT AFFECT OTHER PROVISIONS OR
19 APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN EFFECT
20 WITHOUT THE INVALID PROVISION OR APPLICATION.

21 (2) IF 64 PA.C.S. § 1511 OR 1512 OR THE APPLICATION OF
22 EITHER PROVISION TO ANY PERSON OR CIRCUMSTANCE IS HELD
23 INVALID, THE REMAINING PROVISIONS OR APPLICATIONS OF THIS ACT
24 ARE VOID.

25 Section ~~4-6~~ 7. This act shall take effect immediately. ←