
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 46 Session of
2021

INTRODUCED BY HUGHES, FONTANA, KEARNEY, TARTAGLIONE, BLAKE,
SCHWANK, BREWSTER AND COSTA, JANUARY 20, 2021

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
JANUARY 20, 2021

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes, in
3 Commonwealth Financing Authority, further providing for First
4 Industries Program.

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

7 Section 1. Section 1552(a) and (f) of Title 64 of the
8 Pennsylvania Consolidated Statutes are amended and the section
9 is amended by adding subsections to read:

10 § 1552. First Industries Program.

11 (a) Establishment.--There is established a program to be
12 known as the First Industries Program. The program shall:

13 (1) provide financial assistance for projects related to
14 tourism and agriculture located within this Commonwealth. The
15 board shall allocate funds made available to the program
16 among the different methods of financing authorized in this
17 section[.]; and

18 (2) while under the proclamation of disaster emergency

1 issued by the Governor on March 6, 2020, published at 50
2 Pa.B. 1644 (March 21, 2020), and any renewal of the state of
3 disaster emergency, provide loan guarantees to commercial
4 lending institutions that make loans to manufacturing
5 businesses to convert or retrofit existing manufacturing
6 facilities to enable the business to manufacture personal
7 protective equipment or equipment necessary to manufacture
8 personal protective equipment needed by health care
9 professionals to respond to the COVID-19 pandemic.

10 * * *

11 (b.1) Application for enrollment.--A commercial lending
12 institution may apply for enrollment in the program to provide
13 loan guarantees to commercial lending institutions that make
14 loans to manufacturing businesses to convert or retrofit
15 existing manufacturing facilities to enable the business to
16 manufacture personal protective equipment or equipment necessary
17 to manufacture personal protective equipment needed by health
18 care professionals to respond to the COVID-19 pandemic and
19 authorized by this section. The application shall be on the form
20 prescribed by the board and shall include or demonstrate all of
21 the following:

22 (1) The name and address of the commercial lending
23 institution and the name and title of the individual who will
24 serve as the point of contact for the commercial lending
25 institution.

26 (2) A statement defining the service area of the
27 commercial lending institution.

28 (3) A statement describing the commercial lending
29 activities engaged in by the commercial lending institution
30 and how the institution intends to assist manufacturers in

1 responding to the COVID-19 pandemic as a result of its
2 participation in the program authorized by this section.

3 (4) Any other information required by the board.

4 (b.2) Enrollment approval.--Upon being satisfied that all
5 requirements have been met, the board may enroll the commercial
6 lending institution in the program to provide loan guarantees to
7 commercial lending institutions that make loans to manufacturing
8 businesses to convert or retrofit existing manufacturing
9 facilities to enable the business to manufacture personal
10 protective equipment or equipment necessary to manufacture
11 personal protective equipment needed by health care
12 professionals to respond to the COVID-19 pandemic for purposes
13 of providing loans authorized by this section, and, if enrolled,
14 the authority shall execute a master guarantee agreement in
15 favor of the commercial lending institution. In addition to any
16 other terms and conditions required by the board, the master
17 guarantee agreement shall provide for the following:

18 (1) The procedure for the submission of a claim for
19 payment by the commercial lending institution. This procedure
20 shall require that the commercial lending institution
21 demonstrate that it has exhausted all available remedies
22 against the borrower, other guarantors and collateral for the
23 loan before seeking payment under the agreement.

24 (2) A requirement that a percentage of any money
25 recovered by the commercial lending institution subsequent to
26 any payment made under the master guarantee agreement by the
27 authority be remitted to the authority.

28 (3) Periodic reporting requirements by the commercial
29 lending institution regarding itself and regarding the loans
30 for which guarantee certificates have been issued under this

1 section.

2 * * *

3 (e.3) Application for guarantee.--A commercial lending
4 institution enrolled in the program to provide loan guarantees
5 to commercial lending institutions that make loans to
6 manufacturing businesses to convert or retrofit existing
7 manufacturing facilities to enable the business to manufacture
8 personal protective equipment or equipment necessary to
9 manufacture personal protective equipment needed by health care
10 professionals to respond to the COVID-19 pandemic authorized by
11 this section may submit an application to the authority for the
12 guarantee of a proposed loan. The application shall be on the
13 form prescribed by the board and shall include or demonstrate
14 all of the following:

15 (1) The name and address of the borrower, the type of
16 business the borrower conducts, the location and age of the
17 business and the names and addresses of the principals of the
18 borrower.

19 (2) A copy of the borrower's last two years of financial
20 statements prepared or reported on by an independent
21 certified public accountant.

22 (3) A statement describing the purpose of the loan, the
23 requested amount of the loan, a copy of the commercial
24 lending institution's commitment letter and applicable credit
25 underwriting that supports the repayment of the loan, as well
26 as the collateral and other guarantees offered by the
27 borrower to support the loan.

28 (4) Any other information required by the board.

29 (e.4) Application review.--The following shall apply to the
30 review of applications:

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

3 (i) That the borrower owns and operates a
4 manufacturing business.

5 (ii) That the borrower is financially responsible
6 and has the ability to repay the loan.

7 (iii) That the loan proceeds will be used by the
8 borrower for costs associated with converting or
9 retrofitting a manufacturing facility to allow the
10 production of personal protective equipment or equipment
11 necessary to manufacture personal protective equipment
12 for use by health care professionals to assist the
13 Commonwealth in responding to the COVID-19 pandemic.

14 (iv) That the borrower's business is located within
15 this Commonwealth.

16 (v) That the borrower and the commercial lending
17 institution have met all other requirements established
18 by the board.

19 (2) Upon being satisfied that all requirements have been
20 met, the board may approve the guarantee, and, if approved,
21 the authority shall issue a guarantee certificate for the
22 loan to the commercial lending institution stating the terms
23 and amount of the guarantee.

24 (3) The board may establish a subcommittee composed of
25 one or more members of the board and staff of the department
26 to review and approve applications for guarantees under this
27 subsection and subsection (e.3).

28 (f) Limitations.--

29 (1) No more than \$10,000,000 of the funds available for
30 the program authorized by this section may be used for

1 planning grants awarded under subsection (c).

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

5 (3) For a loan guarantee relating to the program
6 providing loan guarantees to commercial lending institutions
7 that make loans to manufacturing businesses to convert or
8 retrofit existing manufacturing facilities to enable the
9 business to manufacture personal protective equipment needed
10 by health care professionals to respond to the COVID-19
11 pandemic, the following shall apply:

12 (i) The guarantee may not exceed 90% of the
13 outstanding principal amount of the loan.

14 (ii) At no time may a guarantee exceed \$3,000,000
15 for any one loan.

16 (g) Definitions.--As used in this section, the following
17 words and phrases shall have the meanings given to them in this
18 subsection unless the context clearly indicates otherwise:

19 "Personal protective equipment." Any product deemed
20 necessary by the Secretary of Health.

21 Section 2. This act shall take effect immediately.