

Veto No. 1986-4

SB 1412

December 19, 1986

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

I hereby disapprove and publicly proclaim my objections to Senate Bill 1412, Printer's No.2529. This legislation amends the Industrial and Commercial Development Authority Law to clarify the right of development authorities to issue both taxable and tax-exempt bonds. The bill does not change current law, but merely codifies a long-recognized interpretation of the law.

I am not disapproving this legislation because I oppose its intent or the issuance of taxable bonds. The issuance of taxable bonds can often be a vital component of an overall economic development strategy. Counsel for the Department of Commerce has assured me that, regardless of any action I may take regarding this legislation, industrial and commercial development authorities would retain the legal authority to issue such bonds.

I am disapproving this legislation only because counsel for authorities not governed by the Industrial and Commercial Development Authority Law have expressed the fear its enactment may imply that other types of authorities do not have the power to issue taxable bonds. Upon the recommendations, made subsequent to its final passage, by the original sponsors and advocates of this legislation, I am vetoing the bill to make absolutely certain that the marketability of taxable bonds being sold by authorities not governed by the Industrial and Commercial Development Authority Law is not impaired.

Accordingly, I hereby file my objections to Senate Bill 1412, Printer's No.2529, with the Secretary of the Commonwealth and publicly proclaim my disapproval of this bill.

DICK THORNBURGH