

court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this act, and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof, directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent that this act would have been adopted had such invalid provisions not been included herein.

Inconsistent  
acts repealed.

Proviso.

Section 9. All acts or parts of acts, whether, general, special or local, inconsistent herewith, are hereby repealed: Provided, That this act shall not apply to any controversy involving unfair labor practices or the selection of collective bargaining representatives provided for in the act of 1937, entitled "Pennsylvania Labor Relations Act."

When effective.

Section 10. This act shall take effect immediately upon its final enactment.

APPROVED—The 18th day of May, A. D. 1937.

GEORGE H. EARLE

No. 178

### AN ACT

To amend sections three, four, six, and seven of, and to add section 9.1 to, the act, approved the twenty-eighth day of June, one thousand nine hundred thirty-five (Pamphlet Laws, four hundred fifty-two), entitled "An act to promote the welfare of the people of the Commonwealth; creating a General State Authority as a body corporate and politic with power to construct, improve, and operate projects, and to lease the same, and to fix and collect fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds by said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Property and Supplies to grant, assign, convey, or lease to the Authority lands of the Commonwealth and interests therein, and to acquire lands therefor; granting the right of eminent domain; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act," by providing for additional projects; removing the date by which projects must be commenced; removing certain restrictions against the construction of projects; making such Authority perpetual; fixing the quorum of the Authority; providing for the leasing of projects by the Authority to the Commonwealth; clarifying the powers of a receiver appointed pursuant to such act so as to prohibit such receiver from selling, assigning, mortgaging, or otherwise disposing of, any of the assets belonging to the Authority; and clarifying certain provisions of said act.

The General  
Authority.

Section 1. Be it enacted, &c., That sections three, four, six, and seven of the act, approved the twenty-

eighth day of June, one thousand nine hundred thirty-five (Pamphlet Laws, four hundred fifty-two), entitled "An act to promote the welfare of the people of the Commonwealth; creating a General State Authority as a body corporate and politic with power to construct, improve, and operate projects, and to lease the same, and to fix and collect fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds by said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Property and Supplies to grant, assign, convey, or lease to the Authority lands of the Commonwealth and interests therein, and to acquire lands therefor; granting the right of eminent domain; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act," are hereby amended to read as follows:

Sections 3, 4, 6 and 7, act of June 28, 1935 (P. L. 452), amended.

Section 3. General State Authority.—The Governor of the State, the State Treasurer, the Auditor General, the Secretary of Internal Affairs, the Secretary of Property and Supplies, and the President pro tempore of the Senate and their respective successors in office, and two citizens of Pennsylvania, one to be appointed by the Governor, and one by the President pro tempore of the Senate, are hereby created a body corporate and politic, constituting a public corporation and governmental instrumentality by the name of "The General State Authority." Said members of the Authority shall be entitled to no compensation for their services as members, but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. Any vacancy happening among the appointed members of the Authority shall be filled by appointment by the Governor or President pro tempore of the Senate, [making the original appointment] *as the case may be.*

Members of the corporation known as "The General State Authority."

Section 4. Purposes and Powers; General.—The Authority is created for the purpose of constructing, improving, maintaining, and operating sewers, sewer systems, and sewage treatment works for State institutions *of every kind and character (heretofore or hereafter constructed)*, public buildings for the use of the Commonwealth, [at the seat of the State government] State arsenals, armories, and military reserves, State airports and landing fields, [State tuberculosis sanatoria, additions to present] State [hospitals, normal schools, teachers colleges, penal or correctional] institutions *of every kind and character (heretofore or hereafter constructed)*, additions and improvements to land grant colleges, State highways, and bridges, tunnels, and

Purpose and powers of the Authority.

traffic circles on State highways, swimming pools, and lakes on [State-owned] *State* land, and [low head] dams and improvements to river embankments (any and all the foregoing being herein called "projects"); [Provided, however, That no project shall be begun after the expiration of two (2) years from the effective date of this act: And provided further, That the purpose and intent of this act being to benefit the people of the Commonwealth by, among other things, increasing their commerce and prosperity, and not to unnecessarily burden or interfere with existing business by the establishment of competitive enterprises, none of the powers granted hereby shall be exercised in the construction, improvement, maintenance, extension, or operation of any project or projects which in whole or in part shall duplicate or compete with existing enterprises serving substantially the same purposes] and the Authority is hereby granted and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, including, but without limiting the generality of the foregoing, the following rights and powers:

(a) To have *perpetual* existence [for a period of thirty-two years] as a corporation.

(b) To sue and be sued, implead and be impleaded, complain and defend in all courts.

(c) To adopt, use, and alter at will a corporate seal.

(d) To acquire, purchase, hold, lease as lessee, and use any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority, and (without limitation of the foregoing) to lease from the department any property, real, personal, or mixed, or any interest therein, now owned, or hereafter acquired, by the Commonwealth of Pennsylvania, with the approval of the Governor, for a term not exceeding ninety-nine years, at a nominal rental or at such annual rental as may be determined and, with the approval of the Governor, to lease as lessor to the Commonwealth of Pennsylvania and any city, county, or other political subdivision, or any agency, department, or public body of the Commonwealth, or *land grant college*, any project at any time constructed by the Authority, and any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority.

(e) To acquire by purchase, lease, or otherwise, and to construct, improve, maintain, repair, and operate projects.

(f) To make by-laws for the management and regulation of its affairs.

(g) To appoint officers, agents, employes, and servants; to prescribe their duties and to fix their compensation.

(h) To fix, alter, charge, and collect rates, rentals, and other charges for the use of the facilities of, or for the services rendered by, the Authority or projects thereof, at reasonable rates, to be determined by it, for the purpose of providing for the payment of the expenses of the Authority, the construction, improvement, repair, maintenance, and operation of its facilities and properties, the payment of the principal of and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.

(i) To borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness or obligations (herein called "bonds") of the Authority, and to secure the payment of such bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues, rentals, and receipts, and to make such agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued, as the Authority shall deem advisable, and in general to provide for the security for said bonds and the rights of the holders thereof.

(j) To make contracts of every name and nature, and to execute all instruments necessary or convenient for the carrying on of its business.

(k) Without limitation of the foregoing, to borrow money and accept grants from, and to enter into contracts, leases or other transactions with, any Federal agency.

(l) To have the power of eminent domain.

(m) To pledge, hypothecate, or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority.

(n) To do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other acts.

Provided, however, that the Authority shall have no power at any time or in any manner to pledge the credit or taxing power of the Commonwealth or any of its cities, counties, or other political subdivisions, nor shall any of its obligations or debts be deemed to be obligations of the Commonwealth or of any of its cities, counties, or political subdivisions, nor shall the Commonwealth or any city, county, or political subdivision thereof be liable for the payment of principal of or interest on such obligations.

Proviso.

Section 6. Remedies of Bondholders.—The rights and the remedies, herein conferred upon or granted to the bondholders, shall be in addition to and not in limitation of any rights and remedies lawfully granted to such bondholders by the resolution or resolutions providing

Remedies granted to bondholders to enforce their rights.

for the issuance of bonds, or by any deed of trust, indenture or other agreement under which the same may be issued. In the event that the Authority shall default, in the payment of principal or of interest on any of the bonds after said principal or interest shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the Authority shall fail or refuse to comply with the provisions of this act, or shall default in any agreement made with the holders of the bonds, the holders of twenty-five per centum in aggregate principal amount of the bonds then outstanding, by instrument or instruments filed in the office of the recorder of deeds of the county, and proved or acknowledged in the same manner as a deed to be recorded, may (except as such right may be limited under the provisions of any deed of trust, indenture or other agreement as aforesaid) appoint a trustee to represent the bondholders for the purposes herein provided. Such trustee and any trustee under any deed of trust, indenture or other agreement may, and, upon written request of the holders of twenty-five per centum (or such other percentage as may be specified in any deed of trust, indenture or other agreement aforesaid) in principal amount of the bonds then outstanding, shall in his or its own name—

(a) by mandamus or other suit, action, or proceeding at law or in equity enforce all rights of the bondholders, including the right to require the Authority to collect rates, rentals, and other charges, adequate to carry out any agreement as to or pledge of the revenues or receipts of the Authority, and to require the Authority to carry out any other agreements with or for the benefit of the bondholders, and to perform its and their duties under this act;

(b) bring suit upon the bonds;

(c) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the bondholders;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) by notice in writing to the Authority, declare all bonds due and payable, and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum (or such other percentage as may be specified in any deed of trust, indenture or other agreement aforesaid) of the principal amount of the bonds then outstanding, to annul such declaration and its consequences.

Any trustee, whether appointed as aforesaid or acting under a deed of trust, indenture, or other agreement and whether or not all bonds have been declared due and payable, shall be entitled as of right to the appointment

Trustee entitled to appointment of receiver.

of a receiver, who may (to the same extent that the Authority itself could so do) enter and take possession of the facilities of the Authority, or any parts thereof, the revenues, rentals, or receipts from which are or may be applicable to the payment of the bonds so in default, and operate and maintain the same, and collect and receive all rentals and other revenues thereafter arising therefrom in the same manner as the Authority might do, and shall deposit all such moneys in a separate account, and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustees, the fees, counsel fees, and expenses of the trustee and of the receiver, if any, and all costs and disbursements allowed by the court, shall be a first charge on any revenues and receipts derived from the facilities of the Authority, the revenues or receipts from which are or may be applicable to the payment of the bonds so in default. Said trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

In addition to all other rights and all other remedies, any holder of bonds of the Authority shall have the right by mandamus or other suit, action, or proceeding at law or in equity to enforce his rights against the Authority, including the right to require the Authority to collect fees, rentals, and other charges adequate to carry out any agreement as to or pledge of such fees, rentals, or other charges, or income revenues and receipts, and to require the Authority to carry out any of its covenants and agreements with the bondholders, and to perform its and their duties under this act: *Provided, however, That nothing in this section or any other section of this act shall authorize any receiver appointed pursuant to this act, for the purpose of operating and maintaining any facilities of the Authority, to sell, assign, mortgage, or otherwise dispose of, any of the assets of whatever kind and character belonging to the Authority. It is the intention of this act to limit the powers of such receiver to the operation and maintenance of the facilities of the Authority as the court shall direct, and no holder of bonds of the Authority, nor any trustee, shall ever have the right in any suit, action or proceedings at law or in equity to compel a receiver, nor shall any receiver ever be authorized, or any court be empowered to direct the receiver, to sell, assign, mortgage, or otherwise dispose of, any assets of whatever kind or character belonging to the Authority.*

Proviso.

Section 7. Governing Body.—The powers of the Authority shall be exercised by a governing body consisting

Governing board.

of the members of the Authority acting as a board. Within ninety days after this act shall become effective, the board shall meet and organize by electing from their number a president and secretary. At the first regular meeting in each year thereafter, they shall elect from their number a president and secretary.

Quorum.

[Six] *Five* members shall constitute a quorum of the board for the purpose of organizing the Authority and conducting the business thereof and for all other purposes, and all action shall only be taken by vote of a majority of the members of the Authority, unless in any case the by-laws shall require a larger number. The board shall have full authority to manage the properties and business of the Authority, and to prescribe, amend, and repeal by-laws, rules, and regulations governing the manner in which the business of the Authority may be conducted, and the powers granted to it may be exercised and embodied. The board shall fix and determine the number of officers, agents, and employes of the Authority and their respective compensation and duties, and may delegate to one or more of their number or to one or more of said officers, agents, or employes such powers and duties as it may deem proper.

Powers of the board.

Section 9.1 added.

Section 2. That said act is hereby amended by adding thereto section 9.1 to read as follows:

*Section 9.1. Contracts to Lease and Leases by Department from Authority.—The department shall have power and authority, with the approval of the Governor, to enter into contracts with the Authority, to lease as lessee from the Authority any or all of the projects undertaken by the Authority for a term, with respect to each project constructed, not exceeding thirty (30) years, at such rental or rentals as may be determined by the Authority, and upon the completion of the said projects, the department shall have power and authority, with the approval of the Governor, to lease as lessee any or all of the projects completed by the Authority for a term, with respect to each project leased, not exceeding thirty (30) years, at such rental or rentals as may be determined by the Authority.*

When effective.

Section 3. This act shall become effective immediately upon its final enactment.

APPROVED—The 18th day of May, A. D. 1937.

GEORGE H. EARLE