

No. 153

AN ACT

HB 1196

Amending the act of May 17, 1956 (P.L.1609), entitled "An act to promote the welfare of the people of the Commonwealth by the reduction of unemployment in certain areas of the Commonwealth determined to be critical economic areas; providing for the establishment of industrial development projects in such areas; creating The Pennsylvania Industrial Development Authority as a body corporate and politic with power to allocate funds for and make secured loans to industrial development agencies for the payment of a part of the cost of industrial development projects in critical economic areas; authorizing the Authority to enter into agreements with the Government of the United States or any Federal agency or industrial development agency; empowering the Authority to take title to, sell, convey and lease industrial development projects where necessary to protect loans made by the Pennsylvania Industrial Development Authority on industrial development projects; providing that no debt of the Commonwealth, its municipalities or political subdivisions shall be incurred in the exercise of any powers granted by this act; and providing for the examination of the accounts and affairs of the Authority; and making an appropriation," redefining "critical economic area" and "industrial development project" and defining "agricultural enterprise," changing the membership of the board, providing for loans to business for research and development of pollution control technology projects, requiring tenants or purchasers applying for loans to show evidence of abatement of pollution or of operation within existing standards and making an editorial correction.

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

Section 1. Clauses (d) and (i) of section 3, act of May 17, 1956 (P.L.1609), known as the "Pennsylvania Industrial Development Authority Act," clause (d) amended October 5, 1967 (P.L.323) and clause (i) amended July 10, 1963 (P.L.221), are amended, and said section is also amended by adding a clause to read:

Section 3. Definitions.—The following terms, whenever used or referred to in this act, shall have the following meanings, except in those instances where the context clearly indicates otherwise:

* * *

(d) The term "critical economic area" shall mean the area encompassing any municipality or group of municipalities, county, group of counties or region of the Commonwealth reasonably defined by the Authority wherein critical conditions of unemployment, economic depression, wide-spread reliance on public assistance and unemployment compensation are found to exist by the Authority. Prior to determination and designation of any area of the Commonwealth as a critical economic area the Authority shall conduct such investigations of the area and of the records and statistical indices of the [**Department of Internal Affairs,**] **Department of Labor and Industry, [the Department of Public Assistance] the Department of Agriculture, the Department of Public Welfare** and the Department of Commerce of the Commonwealth, as well as the

declarations and statistics of any Federal agencies as shall be necessary to establish the existence of the above conditions in such area ~~and to establish that:~~ (i) an average of not less than (6%) of the labor force of such area has been unemployed for any five years of the preceding ten years, hereinafter designated "critical economic area A"; or (ii) an average of not less than (4%) of the labor force of such area has been unemployed for a period of not less than twelve months, hereinafter designated "critical economic area B"; or (iii) an average of not less than 4% of the labor force of such area has been unemployed for any five years of the preceding ten years, hereinafter designated "critical economic area C," immediately prior to the date of such investigations and findings. No area of the Commonwealth shall be designated a critical economic area without such investigations and findings having been first made and certified to in the permanent records of the Authority. An area of the Commonwealth having once been designated a critical economic area A or area C shall remain so for a period of six months following the month in which it ceases to qualify as a critical economic area as above defined and designated by the Authority.

* * *

(i) The term "industrial development project" shall mean any land, site, structure, facility or undertaking comprising or being connected with or being a part of (i) an industrial enterprise, (ii) a manufacturing enterprise, [or] (iii) a research and development enterprise, *or (iv) an agricultural enterprise*, established or to be established by an industrial development agency in a critical economic area.

* * *

(r) The term "agricultural enterprise" shall mean an enterprise which is engaged in business related to farming, agricultural endeavors or other related businesses and services supporting the development of agriculture; which by virtue of its size required substantial capital and which by its nature and size has created or will create substantial employment opportunities.

Section 2. Section 4 of the act, amended July 18, 1968 (P.L.420), is amended to read:

Section 4. The Pennsylvania Industrial Development Authority.— There is hereby created a body corporate and politic, constituting a public corporation and government instrumentality by the name of "The Pennsylvania Industrial Development Authority," the board of members of which shall be composed of the following: The Secretary of Commerce, who will serve as Chairman, the Secretary of Labor and Industry, the Secretary of Community Affairs, *the Secretary of Agriculture* and the Secretary of Banking and their respective successors in office and seven additional members who shall be appointed by the Governor with the advice and consent of the Senate who shall represent the general public and the public interest. The members of the Authority initially appointed

by the Governor shall continue in office for terms of one to seven years, respectively, from the date of their appointment and until their respective successors shall be duly appointed and qualified, the term of each appointed member to be designated by the Governor at the time of his appointment; but their successors shall each be appointed for a term of seven years, except that any person appointed to fill a vacancy shall serve only for the unexpired term, and any appointed member of the Authority shall be eligible for re-appointment. 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.

Section 3. Subclauses (1) and (3) of clause (a) of the first paragraph of section 6 of the act, subclause (1) amended May 5, 1965 (P.L.42), and subclause (3) amended October 5, 1967 (P.L.323), are amended to read:

Section 6. Powers of the Authority; Loans to Industrial Development Agencies.—When it has been determined by the Authority upon application of an industrial development agency and hearing thereon in the manner hereinafter provided, that the establishment of a particular industrial development project of such industrial development agency in a critical economic area has accomplished or will accomplish the public purposes of this act, the Authority may contract to loan such industrial development agency an amount not in excess of the percentage of the cost of such industrial development project, as established or to be established as hereinafter set forth, subject, however, to the following conditions:

(a) Industrial development projects to be established:

(1) If the industrial development project is exclusively a research and development facility *other than research and development of pollution control technology*, the Authority may, in each class of critical economic area, contract to loan the industrial development agency (45%) of the cost of such industrial development project if it has determined that the industrial development agency holds funds or property in an amount or value equal to not less than (5%) of the cost of establishing the industrial development project, which funds or property are available for and shall be applied to the establishment of such project. *If the industrial development project is exclusively a research and development facility for technology concerning pollution control, the Authority may contract to loan the industrial development agency in critical economic area A an amount not in excess of (55%) and in a critical economic area B or a critical economic area C an amount not in excess of (50%) of the cost of the industrial development project: Provided, however, That in each such instance, the Authority has determined that the industrial development agency holds funds or property in an amount or value equal to not less than (5%) of the cost of establishing the industrial development project, which funds or property are available for and shall be applied to the establishment of such project.*

* * *

(3) If the industrial development project is any other type of industrial development project than exclusively a research and development facility, the Authority may, in [a] critical economic [area] *areas* B and [A critical economic area] C, contract to loan the industrial development agency an amount not in excess of 30% of the cost of such industrial development project if it has determined that the industrial development agency holds funds or property in an amount or value equal to not less than 20% of the cost of establishing the industrial development project, which funds or property are available for or shall be applied to the establishment of such project.

* * *

Section 4. Section 6 of the act is amended by adding two paragraphs to read:

Section 6. Powers of the Authority; Loans to Industrial Development Agencies.—* * *

Before any loan is approved by the Authority, the responsible tenant or purchaser must certify to the Authority that it has not been cited by a governmental agency for causing pollution in the Commonwealth, or if it has been so cited, that it is embarked on a specific program for eliminating the cause of the citation. The responsible tenant or purchaser must also certify to the Authority that the proposed project would be designed so as not to cause pollution in violation of existing standards.

In the event of the imposition of any civil or criminal penalty on a specific industrial development project hereinafter approved, resulting from the violation of any law or regulation relating to environmental pollution in the Commonwealth, the responsible tenant or purchaser shall, at the request of the Authority, be required to either show evidence of having entered into an agreement with the appropriate governmental agency providing for the required abatement, or if the violation has been appealed to the courts, evidence of having complied with a finally adjudicated decision of a court of law relating to the violation. If the responsible tenant or purchaser shall fail to show such evidence, the Pennsylvania Industrial Development Authority together with the Environmental Quality Board of the Department of Environmental Resources may at their discretion take such action as they deem appropriate with regard to the project loan.

APPROVED—The 16th day of June, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly
No. 153.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large, prominent initial "C".

Secretary of the Commonwealth.