

No. 36

AN ACT

HB 325

Amending the act of May 1, 1933 (P. L. 103), entitled "An act concerning townships of the second class; and amending, revising, consolidating and changing the law relating thereto," removing the limitation on taxation for the purpose of maintaining, equipping and operating parks, recreation areas and facilities and the programs thereon.

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

Section 1. Section 1907, act of May 1, 1933 (P. L. 103), known as "The Second Class Township Code," reenacted and amended July 10, 1947 (P. L. 1481), and amended July 2, 1953 (P. L. 354), is amended to read:

Section 1907. Maintenance and Tax Levy.—All expenses incurred in the operation of such parks, recreation areas and facilities, established as herein provided, shall be payable from the general township fund or from the treasury of such township, borough, city, county or school district, as may be provided for by the agreement of the corporate authorities. The supervisors may annually appropriate an amount necessary for carrying out the provisions of this act, and may cause to be raised by special taxation such tax, [not to exceed two mills on the dollar of the assessed valuation of taxable property in such township,] for the purpose of maintaining, equipping and operating the parks, recreation areas and facilities and the programs thereon.

Section 2. This act shall take effect immediately.

APPROVED—The 5th day of May, A. D. 1965.

WILLIAM W. SCRANTON

No. 37

AN ACT

HB 401

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 the term critical economic areas, and further regulating loans made under the act.

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

Section 1. The act of May 17, 1956 (P. L. 1609), known as the "Pennsylvania Industrial Development Authority Act," is amended by adding after section 2 a new section to read:

Section 2.1. Further Findings and Declaration of Policy.—It is hereby further determined and declared as a matter of legislative finding:

(a) That as a result of the activity of the Pennsylvania Industrial Development Authority in making available financial assistance to local industrial development agencies and as a result of the recent high level of the national economy, unemployment has been greatly reduced in the Commonwealth, the rate of migration from the Commonwealth has been slowed and the general welfare of the people of the Commonwealth has been improved.

(b) That the problem of unemployment and its resulting indigency has not been eliminated because the high level of the economy has not equally benefited all areas of the Commonwealth so that critical conditions of unemployment continue to exist, and because the improvements achieved in the remaining areas of the Commonwealth may be only temporary, due to the cyclical nature of the economy.

(c) That for the Commonwealth to continue to be successful in its efforts to alleviate unemployment, it is recognized that a goal of an unemployment rate of 6% of the labor force is no longer acceptable or meaningful; that a period of three years upon which to average the rate of unemployment is not sufficiently long to reflect the cyclical changes in the economy; and that the statutory requirements for financial assistance by the Commonwealth must be enlarged so as to permit

industrial development agencies to continue to be eligible for such assistance until an unemployment rate of 4% is achieved.

(d) That if the Commonwealth is to keep pace with the national economy, to eliminate unemployment to a rate of 4% of the labor force, to prevent further migration from the Commonwealth, and to maintain the rate of growth of the employment opportunities in the Commonwealth, it is deemed essential that the Pennsylvania Industrial Development Authority be authorized to make loans to industrial development agencies in an amount not in excess of 40% of a project cost in areas of the Commonwealth having an average rate of unemployment of 6% or higher for the preceding five years and to make loans not in excess of 30% of a project cost in areas having an average rate of unemployment of between 4% and 6% for the preceding five years.

Therefore, it is hereby declared to be the policy of the Commonwealth of Pennsylvania for the promotion of the health, safety, morals, right to gainful employment, business opportunities and general welfare of the inhabitants thereof and to more fully achieve the public purposes set forth in section 2 of this act, that the Pennsylvania Industrial Development Authority shall continue to exist and operate for the public purpose of alleviating unemployment throughout the Commonwealth to an average rate over a five year period of not in excess of 4% of the labor force. Such purpose is hereby declared to be a public purpose for which public money may be spent.

Section 2. Clauses (c) and (d) of section 3 of the act are amended 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:

* * *

(c) The term “county” shall mean any county of this Commonwealth [, other than a county of the first class].

(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, the Department of Labor and Industry, the Department of Public Assistance 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 a period of not less than [three] five years, hereinafter designated "critical economic area A"; or (ii) an average of not less than (9%) of the labor force of such area has been unemployed for a period of not less than eighteen 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 a period of not less than five 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.

Section 3. Subsections (a) and (b) and the first paragraph of subsection (c) of section 6 of the act, amended July 10, 1963 (P. L. 221),¹ 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

¹ "is" in original.

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, 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.

(2) If the industrial development project is any other type of industrial development project than exclusively a research and development facility, the Authority may, in critical economic area A and critical economic area B, contract to loan the industrial development agency an amount not in excess of (40%) 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 (10%) of the cost of establishing the industrial development project, which funds or property are available for and shall be applied to 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 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.

[(3)] (4) Prior to the making of any loan under this subsection (a), the Authority shall have determined that the industrial development agency has obtained from other independent and responsible sources, such as banks and insurance companies or otherwise, a firm commitment for all other funds, over and above the loan of the Authority and such funds or property as the industrial development agency may hold, necessary for payment of all of the cost of establishing the industrial development project, and that the sum of all these funds, together with the machinery and equipment to be provided by the responsible tenant or responsible buyer, is adequate for the completion and operation of the industrial development project.

(b) The Authority may, in critical economic areas A and B, contract to loan to an industrial development agency an amount not in excess of (40%) of the cost, and in critical economic area C, may contract to loan to an industrial development agency an amount not in excess of 30% of the cost, of establishing an industrial development project established without prior Authority participation, if at the time of making such loan the Authority has determined:

(1) That in critical economic areas A and B, the industrial development agency has invested in the industrial development project funds or property in an amount or value equal to not less than (10%) of the cost of such industrial development project and all of the costs of establishing said industrial development project have been paid; and in a critical economic area C, the industrial development agency has invested in the industrial development project funds or property in an amount or value equal to not less than 20% of the cost of such industrial development project and all costs of establishing said industrial development project have been paid.

(2) That the industrial development project is leased or sold to a responsible tenant or purchaser which has supplied the machinery and equipment necessary for the operation of the industrial development project and is occupying the same for the purposes intended.

(3) That neither the industrial development agency nor the responsible tenant or purchaser is in default under any of the agreements entered into by them in respect of the financing and operation of the industrial development project.

(4) That there is sufficient income from the lease or agreement to

purchase with the industrial tenant or industrial purchaser sufficient to insure the repayment of the loan of the Authority made pursuant to this subsection (b).

(5) The proceeds of the Authority loan to the industrial development agency made pursuant to this subsection (b) shall be used only to pay a part of the cost of establishing an industrial development project in furtherance of the public purposes of this act.

(c) The Authority may, in critical economic area A and area B, contract to loan to an industrial development agency in respect of an industrial development project in which the Authority heretofore participated an amount which, together with the prior loan of the Authority, is not in excess of (40%) of the cost of such industrial project, determined as of the time of the disbursement of the prior Authority loan, if at the time of making such loan under this subsection (c) the Authority has determined:

* * *

Section 4. This act shall take effect immediately.

APPROVED—The 5th day of May, A. D. 1965.

WILLIAM W. SCRANTON

No. 38

A SUPPLEMENT

HB 91

To the act of May 28, 1915 (P. L. 596), entitled "An act requiring cities of the second class to establish a pension fund for employes of said cities, and regulating the administration and the payment of such pensions," as to employes of second class A cities, reducing the number of years of employment to qualify for a pension; and increasing pension payments and contributions.

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

Section 1. Every person now or hereafter employed by cities of the second class A as herein provided, if any, of the age of sixty years and upwards, who shall have been so employed for a period of fifteen years or more, and have contributed to the fund for twenty years or more, shall upon application to the board of pensions herein created be retired from service and shall during the remainder of his or her life