

No. 350

AN ACT

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," empowering the Authority to purchase first mortgages and to make payments on first mortgages on industrial development projects where necessary to protect loans made by the Authority on industrial development projects, and increasing the amount the Authority can contract to loan and decreasing the amount that must be provided by industrial development agencies in the financing of industrial development projects, and removing the limitation as to the amount of Authority loans on industrial development projects where Federal agencies participate in the financing of such projects.

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

Pennsylvania
Industrial
Development
Authority Act.

Section 1. Section 5, act of May 17, 1956 (P. L. 1609), known as the "Pennsylvania Industrial Development Authority Act," is amended by adding, at the end thereof, a new sub-paragraph (q) to read:

Section 5, act
of May 17, 1956,
P. L. 1609,
amended by
adding a new
sub-paragraph
(q).

Section 5. Powers of the Authority; General.—The Authority, as a public corporation and governmental instrumentality exercising public powers of the Commonwealth, is hereby granted and shall have and may exercise all powers necessary or appropriate to carry out and effectuate the purposes of this act, including the following powers, in addition to others herein granted:

General Powers.

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(q) To purchase first mortgages and to make payments on first mortgages on any industrial development project where such purchase or payment is necessary to protect any loan previously made therefor by the Authority, and to sell, transfer, convey and assign any such first mortgage. Moneys so used by the Authority in the purchase of any first mortgages, or any payments thereon,

shall be withdrawn from the Industrial Development Fund, and any moneys derived from the sale of any first mortgages shall be deposited by the Authority in the Industrial Development Fund.

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Section 6 of the act, amended.

Section 2. Section 6, act of May 17, 1956 (P. L. 1609), known as the "Pennsylvania Industrial Development Authority Act," is amended to read:

Loans.

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 [(30%)] (40%) of the cost or estimated cost of such industrial development project, as established or to be established, subject, however, to the following conditions:

(a) Industrial development projects to be established.

(i) The Authority shall have first determined that the industrial development agency holds funds in an amount equal to, or property of a value equal to, not less than [(20%)] (10%) of the estimated cost of establishing the industrial development project, which funds or property are available for and shall be applied to the establishment of such project, and (ii) the Authority shall have also 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 the estimated 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 to insure completion and operation of the plant or facility.

(b) Industrial development projects established without initial Authority loan participation. (i) The Authority shall have first determined that the industrial development agency has expended funds in an amount equal to, or has applied property of a value equal to, not less than (20%) of the cost of establishing the industrial development project, and (ii) the Authority shall have also determined that the industrial development agency

obtained from other independent and responsible sources such as banks and insurance companies or otherwise, other funds necessary for payment of all the cost of establishing the industrial development project, and that the industrial development agency participation and these funds, together with the machinery and equipment provided by the responsible tenant or responsible buyer, has been adequate to insure completion and operation of the plant or facility: Provided, however, That the proceeds of any loan made by the Authority to the industrial development agency pursuant to this subsection (b) shall be used only for the establishment of additional industrial development projects in furtherance of the public purposes of this act.

Any such loan of the Authority shall be for such period of time and shall bear interest at such rate as shall be determined by the Authority and shall be secured by bond *or note* of the industrial development agency and by mortgage on the industrial development project for which such loan was made, such mortgage to be second and subordinate only to the mortgage securing the first lien obligation issued to secure the commitment of funds from the aforesaid independent and responsible sources and used in the financing of the industrial development project.

Moneys so loaned by the Authority to industrial development agencies shall be withdrawn from the Industrial Development Fund and paid over to the industrial development agency in such manner as shall be provided and prescribed by the rules and regulations of the Authority.

All payments of interest on said loans and the principal thereof shall be deposited by the Authority in the Industrial Development Fund.

Loans by the Authority to an industrial development agency for an industrial development project shall be made only in the manner and to the extent as in this section six provided, except, however, in those instances wherein an agency of the Federal government participates in the financing of an industrial development project by loan, grant or otherwise of Federal funds. When any Federal agency does so participate, the Authority may adjust the required ratios of financial participation by the industrial development agency, the source of independent funds, and the Authority in such manner as to insure the maximum benefit available to the industrial development agency, the Authority, or both, by the participation of the Federal agency [: Provided, however, That no such adjustment of such ratios shall cause the Authority to grant a loan to the industrial development agency in excess of (30%) of the cost or estimated cost of the industrial development project].

Where any Federal agency participating in the financing of an industrial development project is not permitted to take as security for such participation a mortgage the lien of which is junior to the mortgage of the Authority, the Authority shall in such instances be authorized to take as security for its loan to the industrial development agency a mortgage junior in lien to that of the Federal agency.

Act effective immediately.

Section 3. The provisions of this act shall become effective *immediately upon enactment.

APPROVED—The 18th day of July, A. D. 1961.

DAVID L. LAWRENCE

No. 351

AN ACT

Amending the act of June 19, 1931 (P. L. 589), entitled, as amended, "An act to promote the public health and safety, by providing for examination and licensure of those who desire to engage in the occupation of barbering; regulating barber shops and barber schools, and apprentices and students therein; regulating compensation for service rendered; conferring certain powers and duties on the Department of Public Instruction; and providing penalties," altering the requirements for licensure; regulating hours for barber schools; permitting further regulation by health authorities; providing for the health, sanitation and management of barber shops; changing fees; prescribing penalties; requiring reports, and making an appropriation.

Barbers.

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

Subsection (a), section 3, act of June 19, 1931, P. L. 589, amended July 19, 1951, P. L. 1134, further amended.

Section 1. Subsection (a) of section 3, act of June 19, 1931 (P. L. 589), entitled, as amended, "An act to promote the public health and safety by providing for the examination and licensure of those who desire to engage in the occupation of barbering; regulating barber shops and barber schools, and apprentices and students therein; regulating compensation for service rendered; conferring certain powers and duties on the Department of Public Instruction; and providing penalties," amended July 19, 1951 (P. L. 1134), is amended to read:

Applicants for license.

Section 3. (a) Any person not holding a certificate of registration under the provisions of the preceding section, and desiring to obtain a license under this act, shall make application under oath or affirmation, in such form as the State Board of Barber Examiners, hereinafter referred to as the board, shall prescribe.

* "immdlately" in original.