

No. 289

AN ACT

HB 2613

Amending the act of July 6, 1961 (P.L.509, No.262), entitled "An act authorizing the Commonwealth of Pennsylvania, through the Department of Commerce and The Pennsylvania Industrial Development Authority to cooperate with and implement the program of the Federal Government as established by the Federal Area Redevelopment Act for economic assistance to redevelopment areas in the Commonwealth suffering from substantial and persistent unemployment and underemployment; authorizing The Pennsylvania Industrial Development Authority to participate with any Federal agency in the financing of industrial development projects in redevelopment areas and authorizing The Pennsylvania Industrial Development Authority to make loans to industrial development agencies for the establishment of industrial parks in redevelopment areas and critical economic areas," to remove limitations on industrial park loans, to increase the amount that may be loaned by The Pennsylvania Industrial Development Authority to sixty percent of the cost of an industrial park project, to alter the security required for said industrial park loans, and to alter the security for multiple-tenancy building projects.

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

Section 1. Subsection (a) and clause (2) of subsection (b) of section 6, act of July 6, 1961 (P.L.509, No.262), known as the "Pennsylvania Redevelopment Area Economic Cooperation and Implementation Act," amended October 21, 1965 (P.L.646, No.320), are amended to read:

Section 6. In the further encouragement of the economic development in redevelopment areas and in critical economic areas, the Authority is further authorized and empowered to exercise all powers granted it herein or by the Pennsylvania Industrial Development Authority Act, either with or without Federal agency participation, to make loans to industrial development agencies for the establishment of industrial parks or for multiple-tenancy building projects, subject however, to the following conditions:

(a) Industrial parks.

(1) **[Loans made in any fiscal year of the Commonwealth shall not exceed in the aggregate amount the sum of one million dollars (\$1,000,000).] *The Authority may contract to loan an amount up to sixty percent of the cost of an industrial park project provided the industrial development agency contributes not less than ten percent of the cost of said project.***

(2) Loans shall only be made where the said loan of the Authority is secured by a first mortgage on such industrial park or is secured by a participation in a first mortgage thereon, subject to the exception that where a Federal agency is participating in the financing of an industrial park, the Authority may take as security for its loan a mortgage on such

industrial park junior in lien only to that of the mortgage given to the Federal agency. *If the Authority's loan is secured by a participation in a first mortgage on the industrial park, the Authority may permit a portion of its loan, not exceeding in amount ten percent of the project cost, to be secured by a second mortgage on the industrial park which is junior in lien only to the participating first mortgage securing the balance of the Authority's loan and the funds borrowed from other independent and responsible resources.*

(b) Multiple-tenancy building projects.

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(2) Where the Pennsylvania Industrial Development Authority Act otherwise would empower the Authority to contract to loan an amount up to forty percent of the cost of the project, the Authority may only contract to loan such an amount if the loan of the Authority is secured by a first mortgage or a participation in a first mortgage on said project; otherwise the Authority may contract to loan an amount not in excess of thirty percent of the cost of the project: *Provided, however, That if the Authority's loan is secured by a participation in a first mortgage on the project, the Authority may permit a portion of its loan, not exceeding in amount ten percent of the project cost, to be secured by a second mortgage on the project which is junior in lien only to the participating first mortgage securing the balance of the Authority's loan and the funds borrowed from other independent and responsible sources.*

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APPROVED—The 10th day of December, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 289.



Secretary of the Commonwealth.