

No. 1982-315

AN ACT

HB 1277

Amending the act of December 6, 1967 (P.L.678, No.318), entitled "An act to promote the education and welfare of the people of the Commonwealth of Pennsylvania; to provide educational facilities at nonprofit institutions of higher education in the Commonwealth of Pennsylvania; and creating the Pennsylvania Higher Educational Facilities Authority as a body corporate and politic with power to acquire, construct, improve, equip, furnish, operate, lease, and dispose of projects; authorizing and regulating the issuance of notes and bonds and the payment thereof by said authority; and providing that no debt, obligation, or credit of the Commonwealth shall be incurred in the exercise of any powers granted by this act," removing provisions relating to term bonds and providing rights regarding the collection of subsidy payments in the event of rental payment failures.

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

Section 1. Section 6.1, act of December 6, 1967 (P.L.678, No.318), known as "The Pennsylvania Higher Educational Facilities Authority Act of 1967," added October 16, 1969 (P.L.257, No.104), is amended and a section is added to read:

[Section 6.1. Term Bonds.—Whenever the board of said authority shall authorize the issuance of bonds under the provisions of this act, the board shall also concurrently provide for the authorization of term bonds in the denomination of one hundred dollars (\$100) payable in not more than twenty-five years from the date of issue, and the principal amount of said term bonds shall be equal to a reasonable amount of the principal amount of the bonds with which the said term bonds are being concurrently authorized. The amount and term of the issue of the term bonds shall be fixed by the board in the exercise of its discretion. Said term bonds shall bear interest at a rate to be fixed by said board not exceeding the legal rate. The term bonds authorized under the authority of this section shall be subject to, except as provided in this section, all the terms and conditions of the bonds authorized concurrently therewith.]

Section 6.2. Actions for Nonpayment of Rentals.—In all cases where a college fails to pay or provide for the payment of any rental or rentals or other sums due to the authority in accordance with any lease or other contract entered into between the authority and such college, upon written notice thereof from the authority, the State Treasurer may (i) notify the college of its obligation and of the withholding provisions of this section; (ii) withhold, out of any State appropriations payable to the college an amount equal to the unpaid rentals or other sums owing by such college, and (iii) notify the Auditor General of his actions and request the Auditor General to issue a warrant for payment to the authority of the amount so withheld. Upon receipt of such notice from

the State Treasurer, the Auditor General shall issue to the State Treasurer a warrant for payment to the authority and the State Treasurer shall forthwith pay over the amount so withheld to the authority, which shall apply said amount to the rental or other sums due from such college. The authority shall also give written notice of any such nonpayment to the Secretary of Education.

Section 2. This act shall take effect immediately.

APPROVED—The 17th day of December, A. D. 1982.

DICK THORNBURGH