

No. 1982-280

AN ACT

HB 1738

Amending the act of April 9, 1929 (P.L.177, No.175), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined," requiring moneys received by criminals as a result of the commission of a crime to be paid to the Crime Victim's Compensation Board, permitting certain research on State vehicles, and relating to emergency petroleum product shortages and energy development and making an appropriation.

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

Section 1. The act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," is amended by adding sections to read:

Section 477.18. Distribution of Moneys Received as a Result of the Commission of Crime.—(a) Every person, contracting with any person or the representative or assignee of any person, accused of a crime in this Commonwealth, with respect to the reenactment of such crime, by way of a movie, book, magazine article, radio or television presentation, live entertainment of any kind, or from the expression of such person's thoughts, feelings, opinions or emotions regarding such crime, shall pay over to the board any moneys which would otherwise, by terms of such contract, be owing to the person so convicted or his representatives. The board shall deposit such moneys in an escrow account for the benefit of and payable to any victim of crimes committed by such person, provided that such person is eventually convicted of the crime and provided further that such victim, within five years of the date of the crime, brings a civil action in a court of competent jurisdiction and recovers a money judgment against such person or his representatives.

(b) The board, at least once every six months for five years from the date it receives such moneys, shall cause to have published a legal notice in newspapers of general circulation in each county advising such victims that such escrow moneys are available to satisfy money judgments pursuant to this section.

(c) *Upon disposition of charges favorable to any person accused of committing a crime, or upon a showing by such person that five years have elapsed from the establishment of such escrow account and further that no actions are pending against such person pursuant to this section, the board shall immediately pay over any moneys in the escrow account to such person.*

(d) *Notwithstanding any inconsistent provision of law and rules of civil procedure with respect to the timely bringing of an action, the five-year period provided for in subsection (a) shall not begin to run until an escrow account has been established.*

(e) *Notwithstanding the foregoing provisions of this section, the board shall make payments from an escrow account to any person accused of crime upon the order of a court of competent jurisdiction after a showing by such person that such moneys shall be used for the exclusive purpose of retaining legal representation at any stage of the proceedings against such person, including the appeals process.*

(f) *Any action taken by any person convicted of a crime, whether by way of execution of a power of attorney, creation of corporate entities or otherwise, to defeat the purpose of this section shall be null and void as against the public policy of this Commonwealth.*

Section 2407.1. Special Power Relating to State Vehicles.—(a) The Department of General Services shall, on an ongoing basis, monitor the research and development efforts to produce synthetic motor vehicle fuel derived in whole or in part from coal and shall determine the feasibility of converting State-owned vehicles to operate on such synthetic fuel.

(b) *In making its determination of the feasibility of using a synthetic motor vehicle fuel derived in whole or in part from coal, the department is authorized to utilize such synthetic fuel in a limited number of State-owned vehicles on an experimental basis and to make necessary mechanical changes in those vehicles to facilitate the experimentation.*

(c) *If, as a result of the monitoring and experimentation conducted in accordance with subsections (a) and (b), the department determines that there is a sufficient, assured supply of such synthetic fuel which can be used in one or more State-owned vehicles at a reasonable cost and without creating any significant threat to the environment, the department shall submit to the General Assembly a plan for such conversion. Such plan shall be accompanied by a summary report setting forth the basis for the department's determination that such conversion is feasible.*

Section 2. The act is amended by adding an article to read:

ARTICLE XXVIII-C
ENERGY DEVELOPMENT AUTHORITY AND EMERGENCY
POWERS

Section 2801-C. Definitions.—The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Authority” means the Energy Development Authority.

“Board” means the board of directors of the authority.

“Bond” or “Bonds” means notes, bonds, refunding or renewal notes and bonds and other evidence of indebtedness or obligations which the authority is authorized to issue.

“Cost” means the expense of construction and the expense of acquisition of all structures, lands and other property rights and interests in land necessary to a project. The term also includes the expense of demolishing, removing or relocating any buildings or structures on lands acquired or to be acquired, including the expense of acquiring any lands to which such buildings or structures may be moved or relocated; sewage treatment, waste treatment and pollution control facilities; railroad sidings, spurs or branch lines; all labor, materials, machinery and equipment, fixtures; financing charges; interest on all bonds prior to and during construction, and for a period of one year thereafter; engineering, financial and legal services; plans, specifications, studies, surveys necessary or incidental to determining the feasibility or practicability of constructing a project; administrative expenses; reserves for interest and for extension, enlargements, additions and improvements; and such other expenses as may be necessary or incidental to the construction of the project and the placing of the same in operation.

“Person” means a natural person, corporation, partnership, association, and any municipality of this Commonwealth and any public corporation, authority or body whatsoever.

“Petroleum product” includes motor gasoline, kerosene, distillates (including Number 2 fuel oil) and diesel fuel.

“Project” means an activity, entirely or largely conducted in Pennsylvania, which cannot be effectively funded using privately available resources, relating to:

(1) basic and applied research concerning energy use, renewable energy resources and energy extraction, transmission, storage or conversion;

(2) limited scale demonstration of innovative or commercially unproven technology to promote the production, use or conservation of energy; or

(3) activities to promote or remove obstacles to the utilization and transportation of Pennsylvania energy resources, including but not limited to limited scale synthetic fuel facilities and the conversion or technological improvement of industrial, commercial or agricultural systems to utilize Pennsylvania coal or renewable energy resources: Provided, That no such facility unreasonably interferes with private waste recycling industries.

Section 2802-C. Emergency Petroleum Product Shortages.—

(a) The Governor may, by executive order, proclaim a state of emergency based upon a finding that there impends or exists a substantial shortage of petroleum products available for use in Pennsylvania which poses a serious threat to health, safety or welfare of the public. A state of

energy emergency shall remain in effect for the maximum period of ninety days and may be extended by the Governor unless the extension is disapproved by concurrent resolution adopted by both Houses of the General Assembly. A state of emergency may be declared for all or any portion of the Commonwealth.

(b) Upon proclamation of a state of emergency, the Governor shall designate a State agency to conduct emergency allocation measures during the period of the declared emergency. Emergency allocation measures may consist of:

(1) the administration of any emergency allocation powers delegated to the State by the President or any Federal agency;

(2) the implementation of a set aside program, for not more than one percent (1%) of the petroleum products available for use in Pennsylvania, to alleviate hardship or meet emergency needs. A set aside program shall be established in conformity with any Federal law, regulations or executive orders governing petroleum allocation, and shall apply only to petroleum products found to be in a substantial shortage;

(3) measures to reduce the demand for or consumption of gasoline; and

(4) other measures identified by the Governor in his executive order proclaiming a state of emergency as necessary to protect the public health, safety and welfare.

(c) The agency designated by the Governor to conduct emergency measures may, during the period of the emergency, adopt rules and regulations pursuant to section 204 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law. Any regulation adopted during a state of emergency shall be automatically rescinded upon the expiration of the emergency.

(d) The Governor may designate a state agency to monitor supplies of petroleum products available for use in the Commonwealth to determine whether there exists, or is likely to exist, an emergency shortage.

(1) In order to monitor supplies of petroleum products, the agency may require recordkeeping and periodic reports from petroleum suppliers. These reporting and recordkeeping requirements shall, to the maximum extent possible, employ Federally mandated reports and records, avoid any unnecessary duplicative reporting or recordkeeping, and minimize paperwork, recordkeeping and reporting requirements.

(2) Reports filed and records maintained pursuant to this subsection shall be deemed confidential.

(3) When a petroleum supplier or a company providing information to a petroleum supplier claims that the information requested by the agency is confidential, proprietary, market or trade secret information, or when the information is deemed confidential pursuant to this section, the agency shall not disclose such information publicly or to any other governmental agency unless the information is aggregated as part of a statistical report in which the data and individual companies supplying the data cannot be identified.

(4) *No employe or appointee of the agency or other person may release information from a petroleum product company that would enable data provided by or relating to individual customers of the petroleum company to be identified as relating to or coming from the individual customer. Any person disclosing such information in violation of this section shall be guilty of a misdemeanor, shall be subject to disciplinary action, including reprimand, suspension or termination, and may be ordered to make restitution to any injured or aggrieved party for losses or damages shown.*

(5) *In order to obtain information required pursuant to this subsection, the agency designated by the Governor to monitor supplies of petroleum products may receive or share information from any other Commonwealth, Federal or local agency: Provided, That the agency shall provide the same confidentiality to information recovered as is provided by the supplying agency.*

Section 2803-C. Energy Development Authority.—(a) There is hereby established the Energy Development Authority.

(b) The authority shall be governed and all of its corporate powers exercised by a board of directors which shall be composed of the following individuals:

(1) Nine members to be appointed by the Governor, one of whom shall be designated as chairman. At least two members shall be members of the general public. The members initially appointed shall serve for terms of two, three and four years, respectively, the particular term of each to be designated by the Governor at the time of appointment. The terms of all of their successors shall be four years each, except that any person appointed to fill a vacancy shall serve only for the unexpired term. Every member's term shall extend until his successor is appointed and qualified. Any appointment of a member of the authority shall be subject to the advice and consent of a majority of all of the members of the Senate. Any appointed member of the authority shall be eligible for reappointment.

(2) The Secretary of Environmental Resources or his designee.

(3) The Secretary of Banking or his designee.

(4) The Secretary of Commerce or his designee.

(5) The Secretary of Agriculture or his designee.

(6) Two members of the Senate, one from the majority party and one from the minority party, to be appointed by the President pro tempore to serve at his pleasure.

(7) Two members of the House of Representatives, one from the majority party and one from the minority party, to be appointed by the Speaker of the House to serve at his pleasure.

(8) The Consumer Advocate or his designee.

(9) The Chairman of the Public Utility Commission or his designee.

(c) The members of the board of directors 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.

(d) The board of directors shall provide for the holding of regular and special meetings. Ten directors attending shall constitute a quorum for the transaction of any business and at least six votes shall be required to adopt any action, except that at least nine votes shall be required to approve financial assistance for any project.

Section 2804-C. Technical and Financial Support.—(a) The Governor shall designate a State agency to provide staff services to the authority for its administration of the act, including technical services to assist the authority in carrying out the provisions of this article.

(b) The authority may utilize personnel and services from any departments, agencies or any other authorities of the Commonwealth whose facilities and services may be useful to the authority for their implementation of this article upon approval of such departments, agencies or authorities.

(c) The authority is authorized to make reimbursement to any agency, department or authority of the Commonwealth for such expenses as may be incurred in the provision of any services or the use of any facilities acquired by the authority.

(d) Notwithstanding the provisions of 66 Pa.C.S. § 511 (relating to disposition, appropriation and disbursement of assessments and fees), or any other statute of this Commonwealth, no funds received as reimbursement under this section shall be considered to be in substitution for funds from any other source, nor shall such funds reduce assessments to any utility. No such funds shall lapse at the termination of any fiscal year nor shall such funds reduce any assessment by the Public Utility Commission in any fiscal year.

Section 2805-C. Annual Report.—The board shall make an annual report of the authority's activities for the preceding fiscal year not later than one hundred twenty days after the conclusion thereof to the Governor and the General Assembly. Each such report shall contain a statement of activities and a complete operating and financial statement covering the operations of the authority during such year.

Section 2806-C. Powers and Duties.—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 article, including the following powers, in addition to others herein granted:

(1) To conduct examinations and investigations and to take testimony, under oath or affirmation, at public or private hearings, on any matter material for its information and necessary to the determination and approval of energy development project loan applications.

(2) To have existence for a term of fifty years, or until its existence shall be terminated by law.

(3) To sue and be sued, implead and be impleaded, complain and defend in all courts.

(4) To adopt, use and alter at will a corporate seal.

(5) To make bylaws for the management and regulation of its affairs and to make and, from time to time, amend and repeal rules and regulations governing the conduct of the business of the authority.

(6) To seek technical determinations on project applications.

(7) To make contracts of every name and nature and to execute all instruments necessary or convenient for the carrying on of its business.

(8) To accept grants from and to enter into contracts or other transactions with any Federal agency.

(9) To take title by foreclosure or otherwise to any project or other property pledged, mortgaged, encumbered or otherwise available as security for a project financed whole or in part by the authority, whether by loan, loan guarantee or otherwise where such acquisition is necessary to protect the interests of the authority with respect to a project and to pay all costs arising out of such acquisition from moneys held in the Energy Development Fund and to sell, transfer and convey all or any portion of any such project to any responsible buyer.

(10) To purchase mortgages and to make payments of mortgages on any project where such purchase or payment is necessary to protect any loan or loan guarantee previously made by the authority, and to sell, transfer, convey or assign any such mortgage. Moneys so used by the authority in the purchase of any mortgage, or any payments thereon, shall be withdrawn from the Energy Development Fund, and any moneys derived from the sale of any mortgages shall be deposited by the authority in such fund.

(11) To lease, lease with an option to purchase, sell by installment sale or otherwise, or to otherwise dispose of, any or all of its projects, for such rentals or amounts and upon such terms and conditions as the authority may deem proper.

(12) To finance projects by making loans to persons to provide funds for project costs.

(13) To guarantee loans of money made to persons, upon such terms and conditions as the authority may prescribe, relating to projects.

(14) To make grants to fund research projects.

(15) To collect fees and charges, as the authority determines to be reasonable, relating to activities undertaken in furtherance of the purposes of this article.

(16) To borrow money for the operation and work of the authority by the making of notes and by the issuance of bonds in accordance with the provisions of this article.

(17) To pledge, hypothecate or otherwise encumber all or any of the revenues or receipts of the authority as security for all or any of the bonds of the authority.

(18) To receive appropriations and apply for and accept grants, gifts, donations, bequests and settlements from any public or private source. Funds received by the authority shall be deposited in the Energy Development Fund and used for the purposes of the authority.

Section 2807-C. Authority Indebtedness.—(a) *The authority shall have the power and hereby is authorized from time to time, by resolution of the authority and subject to the written approval of the Governor, to issue its negotiable bonds in such principal amount as, in the opinion of the authority, shall be necessary to provide sufficient funds for any of its corporate purposes, the establishment of reserves to secure such bonds and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. The authority may issue its bonds to provide financial assistance for projects only after the authority has first identified and approved such projects.*

(b) *The authority, whenever it deems it expedient, shall have the power to refund or renew any bonds by the issuance of new bonds whether the bonds to be refunded or renewed have or have not matured. Refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded.*

(c) *Neither the members of the board of the authority nor any person executing the notes shall be liable personally on the notes or be subject to any personal liability or accountability by reason of the issuance thereof.*

(d) *Bonds issued under the provisions of this act shall not be deemed to constitute a debt of the Commonwealth or any political subdivision thereof or a pledge of the faith and credit of the Commonwealth or of any such political subdivision.*

(e) (1) *The bonds of the authority shall be of such series, bear date or dates, mature at such time or times, not exceeding forty years from their respective dates, bear interest at such rate or rates, payable at least semiannually, be in such denominations, be in such form, either coupon or fully registered without coupons, carry such registration, exchangeability and interchangeability privileges, by payment in medium of payment and at such place or places, be subject to such terms of redemption, with or without premium, and be entitled to such priorities in the revenue or receipts of the authority as such resolution or resolutions may provide.*

(2) *The bonds shall be signed by or shall bear the facsimile signature of such officers as the authority shall determine and coupon bonds shall have attached thereto in interest coupons bearing the facsimile signature of the chairman of the authority, all as may be prescribed in such resolution or resolutions.*

(3) *Bonds may be issued and delivered, notwithstanding that one or more of the officers signing such bonds shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.*

(4) *Bonds may be sold at public or private sales for such price or prices as the authority shall determine. Pending the preparation of the definitive bonds, interim receipts may be issued to the purchaser or purchasers thereof and may contain such terms and conditions as the authority may determine.*

(5) Any bond reciting in substance that it has been issued by the authority to aid in the financing of one or more projects to accomplish the public purposes of this act shall be conclusively deemed in proceedings involving the validity or enforceability of such bond or security therefor to have been issued for such purpose.

(f) Any resolution or resolutions authorizing any bonds may contain provisions which shall be part of the contract with holders thereof, as to:

- (1) pledging the full faith and credit of the authority;**
- (2) the terms and provisions of the bonds;**
- (3) limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued may be applied;**
- (4) the setting aside of reserves or sinking funds and the regulation and disposition thereof;**
- (5) limitations on the issuance of additional bonds;**
- (6) the terms and provisions of any indenture under which the same may be issued; and**

(7) any other or additional agreements with the holders of the bonds.

(g) The authority may enter into any indentures or other agreements, with any bank or trust company within or without the Commonwealth of Pennsylvania including any Federal agency, and may assign and pledge all or any of the revenues or receipts of the authority. Such indenture or other agreement may contain such provisions as may be customary in such instruments or as the authority may authorize, including, but without limitation, provisions as to:

- (1) the application of funds and the safeguarding of funds on hand or on deposit;**
- (2) the rights and remedies of the trustee and the holders of the bonds which may include restrictions upon the individual right of action of such holders; and**
- (3) the terms and provisions of the bonds or any additional bonds or the resolutions authorizing the issuance of the same.**

(h) Said bonds shall have all the qualities of negotiable instruments under the law merchant and Title 13 of the Pennsylvania Consolidated Statutes (relating to commercial code).

(i) The rights and remedies herein conferred upon or granted to the bondholders shall be in addition to and not in limitation of any rights and remedies lawfully granted to such bondholders by the resolution or resolutions providing for the issuance of bonds or by any indenture or other agreement under which the same may be issued.

(j) In the event that the authority shall default in the payment of principal of premium, if any, or interest on any issue of bonds after the principal premium or interest shall become due, whether at maturity, upon call for redemption or otherwise and such default shall continue for a period of thirty days or in the event that the authority shall fail or refuse to comply with the provisions of this act or shall default in any agreement made with the holders of the bonds, the holders of twenty-five percent (25%) in aggregate principal amount of the bonds then outstand-

ing of such issues, by instrument or instruments filed in the Office of the Prothonotary of the Commonwealth Court, may appoint a trustee to represent the bondholders for the purpose herein provided. Such trustee and any trustee under any indenture or other agreement, may, and upon written request of the holders of twenty-five percent (25%), or such other percentage as may be specified in any indenture or other agreement aforesaid, in principal amount of the particular issues of bonds then outstanding, shall, in his or its own name:

(1) By mandamus or other suit, action or proceeding at law, or in equity, enforce all rights of the bondholders, including the right to require the authority to carry out any agreement as to or pledge of the revenues or receipts of the authority and to require the authority to carry out any other agreements with or for the benefit of the bondholders and to perform its and their duties under this article.

(2) Bring suit upon the bonds.

(3) By action or suit in equity require the authority to account as if it were the trustee of an express trust for the bondholders.

(4) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the bondholders.

(5) By notice in writing to the authority, declare all bonds due and payable and if all defaults shall be made good, then with the consent of the holders of twenty-five percent (25%) or such other percentage as may be specified in any indenture or other agreement aforesaid of the principal amount of bonds then outstanding, to announce such declaration and its consequences.

(k) The Commonwealth Court shall have jurisdiction of any suit, action or proceedings by the trustee on behalf of the bondholders.

(l) (1) Any trustee appointed by the court or trustee acting under an indenture or other agreement, and whether or not all bonds have been declared due and payable, shall be entitled as of right to the appointment of a receiver, who may exercise dominion over the mortgages or other security held by or available to the authority or any part thereof, the revenues or receipts from which are or may be applicable to the payment of the bonds so in default, and collect and receive all revenues thereafter arising therefrom in the same manner as the authority might do and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct.

(2) In any suit, action or proceeding by a trustee, the fees, the counsel fees and expenses of such trustee and of the receiver, if any, and all costs and disbursements allowed by the court shall be a first charge on any revenues and receipts derived from the mortgages of the authority or other security held by or available to the authority, the revenues or receipts from which are or may be applicable to the payment of the bonds so in default.

(3) A trustee shall also have and possess all of the power necessary or appropriate for the exercise of any function specifically set forth herein or in any indenture or other agreement or incident to the general repre-

sentation of the bondholders in the enforcement and protection of their rights.

Section 2808-C. Financial Assistance.—(a) When it has been determined by the authority, upon application and hearing thereon in the manner hereinafter provided, that the granting of financial assistance will accomplish the public purposes of this article, the authority may contract to make financial assistance available in an amount not in excess of the cost of such project.

(b) Prior to committing itself to provide financial assistance under this section, the authority shall have determined that the person requesting such assistance has obtained from other responsible and independent sources which may include but shall not be limited to the Federal Government, banks, savings and loan associations or otherwise, a firm commitment for all other funds, over and above the amount of financial assistance requested from the authority, which in the aggregate shall be sufficient to cover the entire cost of the project.

(c) Any loan, lease, sale, guarantee or other agreement with response to a project shall be for such period of time and shall bear interest at such rate as shall be determined by the authority and may be secured by mortgage on and security interest in the project which such loan, lease, guarantee or other sale agreement relates, or with respect to any other property of the obligor, or any other security which the authority determines to be necessary.

(d) Moneys made available for projects by the authority shall be withdrawn from the appropriate funds and paid over to the obligor in such manner as shall be provided and prescribed by the resolutions, rules and regulations of the authority, the loan, lease, sale, guarantee or other agreement and the indenture or agreement of trust, if any, relating to the project.

(e) All payments of interest on funds made available for projects and the principal amount thereof shall be deposited by or on behalf of the authority in the appropriate funds.

(f) Prior to disbursing any funds for, or committing itself to guarantee any indebtedness relating to, or providing technical assistance for, a project, the authority shall receive an application in such form and having such content as the authority may prescribe from the person seeking such assistance.

Section 2809-C. Energy Development Plan.—(a) In order to devise the most effective strategy for providing the financial and technical assistance authorized in this article, the authority shall publish, within one hundred eighty days of the effective date of this act, a plan for the allocation and distribution of financial and technical assistance. The Energy Development Plan shall:

(1) Place maximum reliance upon allocation and distribution strategies which exploit the use of other available Federal, State, local and private financial support.

(2) *Allocate appropriated authority funds, moneys made available from payment of principal and interest received by the authority not otherwise payable to other creditors or bondholders and other funds available to the authority to projects whose likelihood or implementation would be diminished unless financial and technical assistance from the authority is made available.*

(3) *Provide for the approval of assistance for projects which will make the greatest possible contributions to energy conservation and development.*

(4) *Provide financial and technical assistance only to persons with a demonstrated need and who evidence reasonable likelihood of being able, in the case of loans and loan guarantees, to repay such loans.*

(5) *Identify the various classes of projects to be provided with financial and technical assistance and allocate available authority funds among these classes. Specifically, the authority shall consider increasing coal production and the use of renewable fuels and in energy efficiency in buildings and industry in establishing its priorities.*

(6) *Establish application procedures and criteria for granting financial and technical assistance.*

(7) *Establish procedures for the periodic updating and revision of the Energy Development Plan.*

(b) *The authority shall hold public hearings at locations throughout the Commonwealth to receive comments upon and suggestions for the improvement of the Energy Development Plan. These hearings shall be concluded within ninety days of the publication of the initial plan. Not more than ninety days following the completion of hearings, the authority shall promulgate its final Energy Development Plan.*

Section 2810-C. Exemption from Taxation.—(a) *The effectuation of the authorized purposes of the authority shall and will in all respects be for the benefit of the people of the Commonwealth of Pennsylvania and since it will as a government instrumentality of the Commonwealth be performing essential government functions in effectuating such purposes, the bonds or other evidences of indebtedness issued by the authority, their transfer and the income therefrom, shall at all times be free from taxation within the Commonwealth of Pennsylvania.*

(b) *The authority may covenant and consent that the interest on certain of its bonds shall be includible, under the Internal Revenue Code of 1954 or any subsequent corresponding internal revenue laws of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includible in the gross income of the holders thereof under said Internal Revenue Code or any such subsequent law. Notwithstanding any such covenant or consent of the authority, the exemption provided in subsection (a) shall not be affected thereby.*

Section 2811-C. Funding of the Authority.—(a) *The sum of two million dollars (\$2,000,000) is hereby specifically appropriated to the*

authority to be deposited in a special account to be created in the Treasury of the Commonwealth to be known as the Energy Development Fund. The fund shall be used to prepare the Energy Development Plan, to pay for initial administrative costs associated with initial bond issues, to make grants for limited research, and pursuant to this act to establish such reserves as in the judgment of the authority with respect to loans guaranteed or bonds issued by the authority may be necessary or desirable or to accomplish any other of its corporate purposes.

(b) As often as may be necessary, the authority shall requisition from the appropriate funds such amounts as may be necessary to provide adequate funds for the payment of the administrative costs related to this article.

(c) At any time that the authority shall determine that funds held for the credit of the Energy Development Fund are in excess of the amount needed to carry out the purposes of this article, the authority shall take such action as shall be required to release such excess from the fund and transfer the same to the General Fund of the State Treasury.

Section 2812-C. Limitation of Powers.—The Commonwealth does hereby pledge to and agree with any person or Federal agency subscribing to or acquiring the bonds to be issued by the authority for the construction of any project or part thereof, that the Commonwealth will not limit or alter adversely the rights hereby vested in the authority until all bonds at any time issued, together with the interest thereof, are fully met and discharged. The Commonwealth does further pledge to and agree with any Federal agency that if such Federal agency shall construct or contribute funds for the construction of any project or any portion thereof, the Commonwealth will not alter or limit the rights and powers of the authority in any manner which would be inconsistent with the continued maintenance and operation of any project or the improvement thereof, or which would be inconsistent with the due performance of any agreements between the authority and such Federal agency, and the authority shall continue to have and may exercise all powers herein granted, as long as the same shall be necessary or desirable for carrying out the purposes of this act and the purposes of the United States pertaining to the construction, acquisition or improvement of any project or such portion thereof.

Section 2813-C. Audit.—The accounts and books of the authority including its receipts, disbursements, contracts, mortgages, investments and other matters relating to its finances, operation and affairs shall be examined and audited every two years by the Auditor General.

Section 3. Sections 1 (relating to section 477.18) and 3 shall take effect immediately and the remainder of this act shall take effect in 60 days.

APPROVED—The 14th day of December, A. D. 1982, except as to the following:

Section 2811-C. Funding of the Authority.—(a) The sum of two million dollars (\$2,000,000) is hereby specifically appropriated to the authority to be deposited in a special account to be created in the Treasury of the Commonwealth to be known as the Energy Development Fund. The fund shall be used to prepare the Energy Development Plan, to pay for initial administrative costs associated with initial bond issues, to make grants for limited research, and pursuant to this act to establish such reserves as in the judgment of the authority with respect to loans guaranteed or bonds issued by the authority may be necessary or desirable or to accomplish any other of its corporate purposes.

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I withhold my approval from this entire amount.

The Commonwealth of Pennsylvania has available to it funds from consent decrees between the United States Department of Energy (DOE) and various oil companies based on DOE audits of oil company pricing policies since 1973. Pennsylvania's share of these funds is determined by DOE. This year \$1.4 million has been received as a result of the consent decree with Standard Oil of Ohio.

I propose to deposit the funds already received from the consent decree with Standard Oil of Ohio into the Energy Development Fund created by House Bill 1738 and thereby provide funding for the activities contained in the bill. Since the funds are derived from energy related companies it is appropriate that they be spent on energy related programs.

DICK THORNBURGH