

No. 1984-114

AN ACT

HB 2297

Amending the act of July 22, 1974 (P.L.598, No.206), entitled "An act creating the Pennsylvania Minority Business Development Authority as a governmental instrumentality and as a body corporate and politic; prescribing the rights, powers and duties of such authority; authorizing such authority to acquire by gift or purchase; to make loans, guarantees or other financial accommodations to minority business enterprises, to borrow money and issue bonds therefor, providing for the payment of such bonds and giving security therefor, prescribing the rights of the holders of such bonds; providing that no debt of the Commonwealth shall be incurred in the exercise of any powers granted by this act; exempting the property and securities of such authority from taxation; authorizing the authority to enter into contracts with and to accept grants from the Federal Government or any agency thereof; providing for the examination of the accounts and affairs of the authority; and making an appropriation," further providing for assistance to minority business enterprises; and making appropriations.

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

Section 1. The definition of "minority business enterprise" in section 3 of the act of July 22, 1974 (P.L.598, No.206), known as the Pennsylvania Minority Business Development Authority Act, is amended and a definition is added to read:

Section 3. Definitions.—As used in this act:

* * *

"Minority business enterprise" means a business enterprise, *other than a bar, tavern or any other enterprise which has as its primary function the dispensing of alcoholic beverages on a retail basis*, that is owned or controlled by one or more socially or economically disadvantaged persons who are residents of the Commonwealth of Pennsylvania. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos and Aleuts.

"*Minority contractor*" means a minority business enterprise which has entered into a contract, purchase order or other procurement arrangement with an agency or a contractor of the Commonwealth and has received, is to receive or is receiving public funds from the Commonwealth under such contract, purchase order or other procurement arrangement, including, but not limited to, subcontractors under a Commonwealth contract.

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Section 2. Section 4(e) of the act is amended to read:

Section 4. Pennsylvania Minority Business Development Authority.—

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(e) The board of directors shall have full authority to manage the properties and business of the authority, and to prescribe, amend and repeal by-laws, rules and regulations governing the manner in which the business of the authority may be conducted, and the powers granted to it may be exercised and embodied, *except for the requirements that the board shall meet monthly to review the applications before it and shall take action on an application within sixty days of the date on which it was filed.*

The Department of Commerce shall provide staff services including an executive director as agreed upon by the board to the authority for its administration of the act, including liaison between the authority and the Bureau of Minority Business Development (hereinafter authorized) and related organizations, and between the authority and other agencies of the Commonwealth whose facilities and services may be useful to the authority in its work.

The authority is authorized to make reimbursement to the Department of Commerce or to any agency of the Commonwealth for such special expenses as may be incurred in the provision of any services or the use of any facilities required by the authority.

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Section 3. Section 7 of the act is amended by adding clauses to read:

Section 7. Activities and Powers of the Authority, Specific.—The authority shall have the power:

* * *

(3) To guarantee up to ninety per cent of bid and performance bonds needed by a minority business enterprise to obtain a contract with a Commonwealth agency pursuant to specifications of the agency or the Department of General Services.

(4) To provide short-term loans to minority contractors for working capital up to fifty per cent of the value of the contract, not to exceed fifty thousand dollars (\$50,000). Minority business enterprises which wish to participate may file an application to the board for assistance under this section, if the assistance is directly related to a Commonwealth contract on which the minority business enterprise is qualified to bid and intends to bid.

(5) To contract with private firms to provide technical and managerial assistance to applicants for and recipients of financial assistance provided under this act.

Section 4. Section 8 of the act is amended by adding a subsection to read:

Section 8. Loans and Financial Participation by the Authority.—* * *

(e) Each recipient of a loan, loan guarantee or equity guarantee shall be provided with technical assistance services that will contribute to the success of the enterprise and its ability to repay loans and provide return on equity. These services may include such areas as market surveys, accounting, financial reporting, legal assistance, billing and marketing.

Section 5. (a) In order to facilitate the speedy implementation of the program in sections 2 and 3, the Minority Business Development Authority shall have the power and authority to promulgate, adopt and use guidelines which shall be published in the Pennsylvania Bulletin. The guidelines shall

not be subject to review pursuant to section 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law, sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, or the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act, and, except as provided in subsection (c), shall be effective for a period not to exceed one year from the effective date of this act.

(b) Except as provided in subsection (c), after the expiration of the one-year period, all guidelines shall expire and shall be replaced by regulations which shall have been promulgated, adopted and published as provided by law.

(c) The General Assembly may provide for an extension of the guidelines adopted pursuant to subsection (a), if the Leadership Committee established pursuant to sections 3 and 4 of the act of December 22, 1981 (P.L.508, No.142), known as the Sunset Act, extends the guidelines adopted pursuant to subsection (a).

Section 6. (a) The sum of \$500,000 is hereby appropriated for the fiscal year beginning July 1, 1984, and ending June 30, 1985, from the Pennsylvania Economic Revitalization Fund to the Department of Commerce for the Minority Business Development Authority to use for bid and performance bond guarantees pursuant to section 7(3) of the act.

(b) The sum of \$500,000 is hereby appropriated for the fiscal year beginning July 1, 1984, and ending June 30, 1985, from the Pennsylvania Economic Revitalization Fund to the Department of Commerce for the Minority Business Development Authority to use for assistance to minority contractors as specified in section 7(4) of the act.

(c) The sum of \$700,000 is hereby appropriated for the fiscal year beginning July 1, 1984, and ending June 30, 1985, from the Pennsylvania Economic Revitalization Fund to the Department of Commerce for the Minority Business Development Authority to use for loans, loan guarantees, equity guarantees and technical and managerial assistance, as provided in section 7(5) of the act, to minority business enterprises consistent with the act.

Section 7. This act shall take effect immediately.

APPROVED—The 2nd day of July, A. D. 1984.

DICK THORNBURGH