

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2202 Session of 2024

INTRODUCED BY CONKLIN, HILL-EVANS, DELLOSO, ABNEY AND SANCHEZ, APRIL 10, 2024

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 16, 2024

AN ACT

1 Amending the act of July 22, 1974 (P.L.598, No.206), entitled
2 "An act creating the Pennsylvania Minority Business
3 Development Authority as a governmental instrumentality and
4 as a body corporate and politic; prescribing the rights,
5 powers and duties of such authority; authorizing such
6 authority to acquire by gift or purchase; to make loans,
7 guarantees or other financial accommodations to minority
8 business enterprises, to borrow money and issue bonds
9 therefor, providing for the payment of such bonds and giving
10 security therefor, prescribing the rights of the holders of
11 such bonds; providing that no debt of the Commonwealth shall
12 be incurred in the exercise of any powers granted by this
13 act; exempting the property and securities of such authority
14 from taxation; authorizing the authority to enter into
15 contracts with and to accept grants from the Federal
16 Government or any agency thereof; providing for the
17 examination of the accounts and affairs of the authority; and
18 making an appropriation," further providing for activities
19 and powers of the authority in general; and establishing the <--
20 Minority Business Development Program; AND PROVIDING FOR <--
21 REPORTS.

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

24 Section 1. Section 6(1) of the act of July 22, 1974
25 (P.L.598, No.206), known as the Pennsylvania Minority Business
26 Development Authority Act, is amended to read:

27 Section 6. Activities and Powers of the Authority;

1 General.--The authority, as a public corporation and
2 governmental instrumentality exercising public powers of the
3 Commonwealth, is hereby granted and shall have and may exercise
4 all powers necessary or appropriate to carry out and effectuate
5 the purposes of this act, including the following powers, in
6 addition to others herein granted:

7 [(1) To have existence for a term of fifty years.]

8 * * *

9 Section 2. The act is amended by adding ~~a section~~ SECTIONS <--
10 to read:

11 Section 8.1. Minority Business Development Program.--(a)
12 The Minority Business Development Program is established within
13 the authority to provide minority business enterprises with
14 awards for any of the following:

15 ~~(1) Equity or patient capital.~~ <--

16 ~~(2) (1) Gap financing.~~ <--

17 ~~(3) (2) Soft loans, including loans for predevelopment.~~ <--

18 (b) The authority shall administer the program and issue
19 guidelines to implement this section. The guidelines, at a
20 minimum, shall include the following:

21 (1) An application process for a minority business
22 enterprise to apply for an award under the program.

23 (2) Eligibility requirements for an award under the program.

24 (3) Allowable uses of an award under the program, including
25 any condition that a minority business enterprise must meet.

26 (4) The maximum amount of an award under the program, in
27 accordance with the following:

28 (i) The maximum aggregate amount for loan awards under the
29 program shall not exceed:

30 (A) Except as provided in clause (B), five million dollars

1 (\$5,000,000) per applicant per year.

2 (B) For development projects located in a county of the
3 first class or a county of the, second class OR SECOND CLASS A, <--
4 ten million dollars (\$10,000,000) per applicant per year.

5 (ii) The maximum aggregate amount for equity or patient <--
6 capital awards under the program shall not exceed:

7 (A) Except as provided in clause (B), three million dollars
8 (\$3,000,000) per applicant per year.

9 (B) For development projects located in a county of the
10 first class or a county of the second class, five million
11 dollars (\$5,000,000) per applicant per year.

12 (iii) (II) An applicant may not have more than three <--
13 development projects financed through the program per year.

14 (5) The interest rates and repayment terms regarding an
15 award under the program.

16 (c) As used in this section, the term "program" means the
17 Minority Business Development Program established under
18 subsection (a).

19 SECTION 18.1. REPORTS. <--

20 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL
21 CONDUCT A STUDY EVERY FIVE YEARS ON ALL AWARDS, GRANTS AND
22 PROGRAMS GRANTED UNDER THE AUTHORITY, INCLUDING THE EFFICACY OF
23 ALL AWARDS, GRANTS AND PROGRAMS, AND REPORT ITS FINDINGS TO THE
24 GENERAL ASSEMBLY.

25 Section 3. This act shall take effect immediately.