



# Senate Committee on Community, Economic and Recreational Development

Catherine A. Washburn  
Executive Director  
cwashburn@pasen.gov

Senator Jane M. Earll  
Chairwoman

Jason R. Brehouse, Esq.  
Executive Counsel  
jbrehouse@pasen.gov

Senate Box 203049 • Harrisburg, PA 17120-3049 • (717) 787-8927

## **SB1257 Printers No. 1579 Amending Titles 12 (Commerce and Trade) and 64 (Public Authorities and Quasi-Public Corporations) of the Pennsylvania Consolidated Statutes, providing for the Liberty Financing Authority; imposing duties on the Department of Community and Economic Development; and making related repeals.**

**Purpose of Liberty Financing Authority proposed legislation:** to consolidate the Pennsylvania Industrial Development Authority and the Pennsylvania Minority Business Development Authority, and to further consolidate various other stand alone DCED programs under one authority and board oversight to be known as the Liberty Financing Authority. To effectuate consolidation of all business financing programs, the First Industries and Second Stage Loan Guarantee programs currently under the oversight of the Commonwealth Financing Authority will be moved to the new Liberty Financing Authority. The consolidation also imposes duties on DCED and makes the related repeals of prior law.

### **Consolidates the following programs:**

Small Business First (Title 12 Commerce and Trade, Chapter 23)  
Machinery & Equipment Loan Fund (Title 12 Commerce and Trade, Chapter 29)  
Export Financing Program (Title 12 Commerce and Trade, Chapter 23)  
Minority Business Development Loan Program (July 22, 1974 P.L.598, No.206)  
Community Economic Development  
Pennsylvania Industrial Development program ~ May 17, 1956 (1955 P.L.1609, No. 537)  
Disadvantaged Business Development  
First Industries Loan Program (April 1, 2004, P.L. 163 Act 22 of 2004, Chapter 1541)  
Second Stage Loan Guarantee Program (April 1, 2004, P.L. 163 Act 22 of 2004, Chapter 1542(b))

### **Governance:**

15 Board Members

- All private sector appointments must be non legislative member or staff and not employed by the Commonwealth.
- Members appointed by the Governor from the private sector will serve a 4 year term.
- Members appointed by the General Assembly will serve for initial terms of two years.
- Public officials (the Secretaries) shall serve for the duration of their tenure in office and may designate a staff member in their absence.
- 8 members present = Quorum
- A majority of those present shall be necessary to take action.
- No compensation for Board members, only reimbursement of expenditures

### **Bonding powers:**

The authority may issue limited obligation revenue bonds and other types of limited obligation revenue financing, as was allowed previously under the Pennsylvania Industrial Development Authority. SB1257 does not propose an appropriation of funds or allow for income streams to securitize future bond issues.