

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1941 Session of
2011

INTRODUCED BY SCAVELLO, CALTAGIRONE, CARROLL, COHEN, CONKLIN,
DALEY, GEORGE, GIBBONS, JOSEPHS, MILLARD, RAPP, SAYLOR,
WAGNER AND YOUNGBLOOD, OCTOBER 31, 2011

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
OCTOBER 31, 2011

AN ACT

1 Authorizing the incurring of indebtedness, with the approval of
2 the electors, of \$500,000,000 for the purposes of providing
3 financing in the form of grants and loans for the cost of dam
4 removal, restoration and repair projects with priority given
5 to certain high-hazard unsafe dams or deficient high-hazard
6 dams or impoundments; providing for the powers and duties of
7 the Pennsylvania Infrastructure Investment Authority and the
8 Department of Environmental Protection; and establishing the
9 Dam Project Bond Fund and the Dam Project Bond Sinking Fund.

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

12 Section 1. Short title.

13 This act shall be known and may be cited as the Dam Project
14 Assistance Act.

15 Section 2. Legislative findings.

16 The General Assembly finds and declares as follows:

17 (1) This Commonwealth has approximately 3,200 dams, many
18 of which were constructed in the early 1900s before current
19 dam safety standards were developed.

20 (2) Millions of residents of this Commonwealth depend on

1 these dams for drinking water, flood control, power
2 generation, irrigation, stream flow augmentation, recreation,
3 navigation or wildlife habitat.

4 (3) State regulators classify nearly one-third of this
5 Commonwealth's dams as high-hazard dams, which means that due
6 to their location a failure of any of these dams could result
7 in the deaths of people living and working downstream.

8 (4) The Commonwealth's Dam Safety Program has identified
9 322 currently deficient high-hazard dams and projects, the
10 number of which may increase to 481 in the next five years.

11 (5) The estimated rehabilitation need for the deficient
12 and projected deficient high-hazard dams is more than
13 \$1,300,000,000.

14 (6) In addition, numerous dams throughout this
15 Commonwealth are known or suspected to have spillways
16 inadequate to safely pass the current spillway design flood
17 capacity. A major storm producing sufficient flow that
18 exceeds the spillway capacity could cause a catastrophic dam
19 failure.

20 (7) Proper maintenance of these structures mitigates the
21 potential for failure. This means that adequate resources
22 must be allocated to periodically reassess outdated designs,
23 to allow for the systematic monitoring of the condition,
24 maintenance and operation of all dams and to provide funding
25 for necessary dam upgrades in a timely manner.

26 (8) These efforts take resources that are often beyond
27 the means of many owners.

28 Section 3. Definitions.

29 The following words and phrases when used in this act shall
30 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Authority." The Pennsylvania Infrastructure Investment
3 Authority.

4 "Board." The board of directors of the Pennsylvania
5 Infrastructure Investment Authority.

6 "Bonds." The bonds authorized to be issued or issued under
7 this act.

8 "Cost." The expenses incurred in connection with:

9 (1) The funding of dam removal, restoration and repair
10 projects.

11 (2) The interest or discount on bonds.

12 (3) The issuance of bonds.

13 (4) The procurement or provision of engineering,
14 inspection, relocation, legal, financial, planning,
15 geological, hydrological and other professional services,
16 estimates and advice, including the services of a bond
17 registrar or an authenticating agent.

18 (5) The issuance of bonds or any interest or discount
19 thereon.

20 (6) The administrative, organizational, operating or
21 other expenses incident to the financing and completion of a
22 project authorized by this act.

23 (7) The establishment of a reserve fund or funds for
24 working capital, operating, maintenance or replacement
25 expenses and the payment or security of principal or interest
26 on bonds.

27 (8) The cost of all labor, materials, machinery and
28 equipment, lands, property, rights and easements, financing
29 charges, interest on bonds, notes or other obligations, plans
30 and specifications, surveys or estimates of costs and

1 revenues, engineering and legal services and all other
2 expenses necessary or incident to all or part of any project
3 authorized by this act.

4 (9) The reimbursement to any fund of the Commonwealth of
5 moneys that may have been transferred or advanced therefrom
6 to any fund established by this act or of any moneys that may
7 have been expended therefrom for or in connection with any
8 project authorized by this act.

9 (10) The administrative cost to the local government
10 unit acting as a coapplicant to owners of private dams or to
11 private lake associations.

12 "Dam removal, restoration and repair project." The removal,
13 repair, restoration, construction, reconstruction or demolition
14 of dams, bulkheads, retention or detention basins or other
15 structures that impound water for water supply purposes, flood
16 control, recreation, wildlife habitat or fire protection.

17 "Department." The Department of Environmental Protection of
18 the Commonwealth.

19 "Fund." The Dam Project Bond Fund established in section 8.

20 "Government securities." Any bonds or other obligations
21 that, as to principal and interest, constitute direct
22 obligations of or are unconditionally guaranteed by the United
23 States of America, including obligations of any Federal agency,
24 to the extent those obligations are unconditionally guaranteed
25 by the United States of America, and any certificates or any
26 other evidences of an ownership interest in those obligations of
27 or unconditionally guaranteed by the United States of America or
28 in specified portions that may consist of the principal of or
29 the interest on those obligations.

30 "High-hazard dam." A dam so located as to endanger populated

1 areas downstream by its failure.

2 "High-hazard unsafe dam." A dam that is both a high-hazard
3 and an unsafe dam.

4 "Issuing officials." The Governor, the Auditor General and
5 the State Treasurer of the Commonwealth.

6 "Local government unit." A county or a municipality, or any
7 agency, authority, board, commission or other instrumentality
8 thereof, any two or more counties or municipalities operating
9 jointly through an intergovernmental cooperation agreement
10 permitted by law or any agency, authority, board, commission or
11 other instrumentality thereof, and any other local or regional
12 entity created by the General Assembly as a political
13 subdivision of the Commonwealth or any agency, authority, board
14 or commission or other instrumentality thereof.

15 "Secretary." The Secretary of Environmental Protection of
16 the Commonwealth.

17 "Unsafe dam." A dam designated by the Department of
18 Environmental Protection with deficiencies of such a nature that
19 if not corrected, the deficiencies could cause a failure of the
20 dam with subsequent loss of lives or substantial property
21 damage.

22 Section 4. Approval of debt incurrence by electors.

23 The question of incurring indebtedness of \$500,000,000 for
24 the purposes of providing financing in the form of grants and
25 loans for the cost of dam removal, restoration and repair
26 projects with priority given to high-hazard unsafe dams
27 necessary for drinking water systems or other high-hazard unsafe
28 dams or deficient high-hazard dams or impoundments shall be
29 submitted to the electors at the next primary, municipal or
30 general election following the effective date of this section.

1 Section 5. Certification.

2 The Secretary of the Commonwealth shall certify the form of
3 the question under section 6 to the county board of elections.

4 Section 6. Form of question.

5 The question under section 4 shall be substantially in the
6 following form:

7 Do you favor the incurring of indebtedness of \$500,000,000
8 for the purposes of providing financing in the form of grants
9 and loans for the cost of dam removal, restoration and repair
10 projects with priority given to high-hazard unsafe dams
11 necessary for drinking water systems or other high-hazard
12 unsafe dams or deficient high-hazard dams or impoundments?

13 Section 7. Election.

14 The election shall be conducted in accordance with the act of
15 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
16 Election Code.

17 Section 8. Dam Project Bond Fund.

18 (a) Establishment.--The Dam Project Bond Fund is established
19 in the State Treasury and shall be the source from which all
20 payments are authorized with the approval of the Governor to
21 carry out the purposes of this act.

22 (b) Use of fund.--The moneys in the fund shall only be
23 utilized:

24 (1) For the purpose of financing in the form of grants
25 and loans for the cost of dam removal, restoration and repair
26 projects with priority given to high-hazard unsafe dams
27 necessary for drinking water systems or other high-hazard
28 unsafe dams or high-hazard dams or impoundments deemed
29 necessary by the department and the authority. Of the total
30 principal amount authorized under this act:

1 (i) The sum of \$225,000,000 is allocated to the
2 authority for grants to finance the cost of removal,
3 restoration and repair of State-owned dams. Grants to be
4 provided under this act are not subject to the provisions
5 of section 10(e) of the act of March 1, 1988 (P.L.82,
6 No.16), known as the Pennsylvania Infrastructure
7 Investment Authority Act.

8 (ii) The sum of \$275,000,000 is allocated to the
9 authority to create a revolving loan fund for the purpose
10 of providing loans to owners of private dams, as
11 coapplicants with local government units or to local
12 government units that own dams, to finance the cost of
13 dam removal, restoration and repair projects undertaken
14 by or on behalf of the owners of dams.

15 (iii) Payments of principal and interest on loans
16 made from the fund shall be returned to the fund for use
17 for any authorized purpose to which moneys in the fund
18 may be used.

19 (2) For the administrative costs incurred in any of the
20 purposes in paragraph (1), including the costs incurred in
21 connection with the issuance of the bonds.

22 (c) Loan terms.--A loan made to a local government unit that
23 owns or to an owner of a lake or stream with a local government
24 unit as coapplicant from the fund shall bear interest of not
25 more than 2% per year, shall be for a term of 20 years and shall
26 be made in accordance with criteria for other programs
27 established by the authority.

28 (d) Loan agreement.--A loan authorized under this section
29 shall be provided under the terms and conditions stated in a
30 written loan agreement between the authority and the person or

1 entity that receives the loan.

2 (e) Coapplicants required.--

3 (1) Loans awarded under this section to owners of
4 private dams shall require local government units to act as
5 coapplicants.

6 (2) The cost of payment of the principal and interest on
7 any loan made to the owner of a private dam as a coapplicant
8 with a local government unit shall be assessed, in the same
9 manner as provided for the assessment of local improvements
10 generally under the law, against the real estate benefited
11 thereby in proportion to and not in excess of the benefits
12 conferred.

13 (3) The assessments shall bear interest and penalties
14 from the same time and at the same rate as assessments for
15 local improvements in the municipality where they are
16 imposed, and from the date of confirmation, shall be a first
17 lien upon the real estate assessed to the same extent and be
18 enforced and collected in the same manner as assessments for
19 local improvements.

20 (f) Interfund transfers authorized.--

21 (1) Whenever the cash balance and the current estimated
22 receipts of the fund shall be insufficient at any time during
23 any State fiscal year to meet promptly the obligations of the
24 Commonwealth from the fund, the State Treasurer may, from
25 time to time during the fiscal year, transfer from the
26 General Fund to the fund such sums as the Governor directs,
27 but in no case less than the amount necessary to meet
28 promptly the obligations to be paid from the fund, nor more
29 than an amount which is the lesser of:

30 (i) The difference between the amount of debt

1 authorized to be issued under this act and the aggregate
2 principal amount of bonds and notes issued, not including
3 refunding bonds and replacement notes.

4 (ii) The difference between the aggregate principal
5 amount of bonds and notes, not including refunding bonds
6 and replacement notes, issued during such State fiscal
7 year.

8 Any sums so transferred shall be available only for the
9 purposes for which they are appropriated from the fund. The
10 transfers shall be made under this section upon warrant of
11 the State Treasurer upon requisition of the Governor.

12 (2) In order to reimburse the General Fund for moneys
13 transferred under paragraph (1), there shall be transferred
14 to the General Fund from the fund moneys from the proceeds
15 obtained from bonds and notes issued under this act or from
16 other available funds in such amounts and at such times as
17 the Governor shall direct. The retransfers shall be made upon
18 warrant of the State Treasurer upon requisition of the
19 Governor.

20 Section 9. Proceeds.

21 (a) Use.--

22 (1) Proceeds of borrowing shall be deposited in the fund
23 and shall be used for grants and loans by the authority for
24 the purpose of financing, through full or matching grants or
25 loans, the costs of dam removal, restoration and repair
26 projects with priority given to high-hazard unsafe dams
27 necessary for drinking water systems and other high-hazard
28 unsafe dams and high-hazard dams and impoundments as deemed
29 necessary by the department and the authority.

30 (2) All proceeds shall be prohibited from being

1 allocated to foreign materials or labor, and there shall be
2 language on the back of the obligations clarifying this
3 prohibition.

4 (b) Appropriation.--The proceeds of all bonds sold under
5 this act are appropriated on a continuing basis to the authority
6 for the purpose of making loans and grants under this act.

7 (c) Borrowing authorized.--

8 (1) If and when the electorate approves a referendum
9 question for the incurring of indebtedness in the amount and
10 for the purposes prescribed in this act, the issuing
11 officials, under section 7(a)(3) of Article VIII of the
12 Constitution of Pennsylvania, are authorized and directed to
13 borrow, on the credit of the Commonwealth, money not
14 exceeding in the aggregate \$500,000,000, not including money
15 borrowed to refund outstanding bonds, notes or replacement
16 notes, as may be found necessary to carry out the purposes of
17 this act.

18 (2) As evidence of the indebtedness, general obligation
19 bonds of the Commonwealth shall be issued from time to time
20 to provide moneys necessary to carry out the purposes of this
21 act for such total amounts, in such form, in such
22 denominations and subject to such terms and conditions of
23 issue, redemption and maturity, rate of interest and time of
24 payment of interest as the issuing officials direct, except
25 that the latest stated maturity date shall not exceed 20
26 years from the date of the first obligation issued to
27 evidence the debt, the obligations shall be issued in \$100
28 increments and at a rate of 5%.

29 (3) All bonds and notes issued under this act shall bear
30 facsimile signatures of the issuing officials and a facsimile

1 of the Great Seal of the Commonwealth and shall be
2 countersigned by a duly authorized officer of a duly
3 authorized loan and transfer agent of the Commonwealth.

4 (4) All bonds and notes issued in accordance with this
5 act shall be direct obligations of the Commonwealth, and the
6 full faith and credit of the Commonwealth is pledged for the
7 payment of the interest thereon, as it becomes due, and the
8 payment of the principal at maturity. The principal of and
9 interest on the bonds and notes shall be payable in lawful
10 money of the United States.

11 (5) All bonds and notes issued under this act shall be
12 exempt from taxation for State and local purposes.

13 (6) The bonds may be issued as coupon bonds or
14 registered as to both principal and interest as the issuing
15 officials may determine. If interest coupons are attached
16 they shall contain the facsimile signature of the State
17 Treasurer.

18 (7) The issuing officials shall provide for the
19 amortization of the bonds in substantial and regular amounts
20 over the term of the debt so that the bonds of each issue
21 allocated to the projects to be funded from the bond issue
22 shall mature within a period not to exceed the appropriate
23 amortization period for each project as specified by the
24 issuing officials, but in no case in excess of 20 years. The
25 first retirement of principal shall be stated to mature prior
26 to the expiration of a period of time equal to one-tenth of
27 the time from the date of the first obligation issued to
28 evidence the debt to the date of the expiration of the term
29 of the debt. Retirements of principal shall be regular and
30 substantial if made in annual or semiannual amounts whether

1 by stated serial maturities or by mandatory sinking fund
2 retirements.

3 (8) The issuing officials are authorized to provide by
4 resolution for the issuance of refunding bonds for the
5 purpose of refunding any debt issued under this act and then
6 outstanding, either by voluntary exchange with the holders of
7 the outstanding debt or providing funds to redeem and retire
8 the outstanding debt with accrued interest, any premium
9 payable thereon and the costs of issuance and retirement of
10 the debt at maturity or at any call date. The issuance of the
11 refunding bonds, the maturities and other details thereof,
12 the rights of the holders thereof and the duties of the
13 issuing official in respect thereto shall be governed by this
14 section insofar as they may be applicable. Refunding bonds,
15 which are not subject to the aggregate limitation of
16 \$500,000,000 of debt to be issued under this act, may be
17 issued by the issuing officials to refund debt originally
18 issued or to refund bonds previously issued for refunding
19 purposes.

20 (9) Whenever any action is to be taken or decision made
21 by the Governor, the Auditor General and the State Treasurer
22 acting as issuing officials and these officials are not able
23 unanimously to agree, the action or decision of the Governor
24 and either the Auditor General or the State Treasurer shall
25 be binding and final.

26 (d) Sale of bonds.--

27 (1) Whenever bonds are issued, they shall be offered for
28 sale at not less than 98% of the principal amount and accrued
29 interest and shall be sold by the issuing officials to the
30 highest and best bidder or bidders after due public

1 advertisement on the terms and conditions and upon such open
2 competitive bidding as the issuing officials shall direct.
3 The manner and character of the advertisement and the time of
4 advertising shall be prescribed by the issuing officials. No
5 commission shall be allowed or paid for the sale of any bonds
6 issued under the authority of this act.

7 (2) Any portion of any bond issue so offered and not
8 sold or subscribed for at public sale may be disposed of by
9 private sale by the issuing officials in such manner and at
10 such prices not less than 98% of the principal amount and
11 accrued interest as the Governor shall direct. No commission
12 shall be allowed or paid for the sale of any bonds issued
13 under the authority of this act.

14 (3) When bonds are issued from time to time, the bonds
15 of each issue shall constitute a separate series to be
16 designated by the issuing officials or may be combined for
17 sale as one series with other general obligation bonds of the
18 Commonwealth.

19 (4) Until permanent bonds can be prepared, the issuing
20 officials may, in their discretion, issue, in lieu of
21 permanent bonds, temporary bonds in such form and with such
22 privileges as to registration and exchange from permanent
23 bonds as may be determined by the issuing officials.

24 (5) The proceeds realized from the sale of bonds and
25 notes, except refunding bonds and replacement notes, under
26 the provisions of this act shall be paid into the fund. The
27 proceeds shall be paid by the State Treasurer periodically to
28 those Commonwealth officers and Commonwealth agencies
29 authorized to expend them at such times and in such amounts
30 as may be necessary to satisfy the funding needs thereof. The

1 proceeds of the sale of refunding bonds and replacement notes
2 shall be paid to the State Treasurer and applied to the
3 payment of principal, the accrued interest and premium, if
4 any, and the cost of redemption of the bonds and notes for
5 which the obligations shall have been issued.

6 (6) Pending their application for the purposes
7 authorized, moneys held or deposited by the State Treasurer
8 may be invested or reinvested as are other funds in the
9 custody of the State Treasurer in the manner provided by law.
10 All earnings received from the investment or deposit of the
11 funds shall be paid into the State Treasury to the credit of
12 the fund. The earnings in excess of bond discounts allowed,
13 expenses paid for the issuance of bonds and notes and
14 interest arbitrage rebates due to the Federal Government
15 shall be transferred annually to the fund. Any interest or
16 investment income shall be applied to assist in the payment
17 of the debt service incurred in connection with this act.

18 (7) The Auditor General shall prepare the necessary
19 registry book to be kept in the office of the duly authorized
20 loan and transfer agent of the Commonwealth for the
21 registration of any bonds, at the request of owners thereof,
22 according to the terms and conditions of issue directed by
23 the issuing officials.

24 (8) There is appropriated to the State Treasurer from
25 the fund as much money as may be necessary for all costs and
26 expenses in connection with the issue, sale and registration
27 of the bonds and notes in connection with this act and the
28 payment of interest arbitrage rebates or proceeds of such
29 bonds and notes.

30 (e) Temporary financing authorization.--

1 (1) Pending the issuance of bonds of the Commonwealth as
2 authorized, the issuing officials are authorized, in
3 accordance with this act and on the credit of the
4 Commonwealth, to make temporary borrowings not to exceed
5 three years in anticipation of the issue of bonds in order to
6 provide funds in such amounts as may from time to time be
7 deemed advisable prior to the issue of bonds. In order to
8 provide for and in connection with the temporary borrowings,
9 the issuing officials may in the name and on behalf of the
10 Commonwealth enter into any purchase, loan or credit
11 agreement or agreements or other agreement or agreements with
12 any banks or trust companies or other lending institutions,
13 investment banking firms or persons in the United States
14 having power to enter into the same, which agreements may
15 contain provisions not inconsistent with the provisions of
16 this act and authorized by the issuing officials.

17 (2) All temporary borrowings made under the
18 authorization of this section shall be evidenced by notes of
19 the Commonwealth which shall be issued from time to time for
20 amounts not exceeding in the aggregate the applicable
21 statutory and constitutional debt limitation in the form and
22 in the denominations and subject to terms and conditions of
23 sale and issue, prepayment or redemption and maturity, rate
24 or rates of interest and time of payment of interest as the
25 issuing officials shall authorize and direct and in
26 accordance with this act. The authorization and direction may
27 provide for the subsequent issuance of replacement notes to
28 refund outstanding notes or replacement notes, which
29 replacement notes shall, upon issuance thereof, evidence the
30 borrowing and may specify other terms and conditions with

1 respect to the notes and replacement notes thereby authorized
2 for issuance as the issuing officials may determine and
3 direct.

4 (3) When the authorization and direction of the issuing
5 officials provide for the issuance of replacement notes, the
6 issuing officials may in the name and on behalf of the
7 Commonwealth issue, enter into or authorize and direct the
8 State Treasurer to enter into agreements with any banks,
9 trust companies, investment banking firms or other
10 institutions or persons in the United States having the power
11 to enter the same:

12 (i) To purchase or underwrite an issue or series of
13 issues or notes.

14 (ii) To credit, to enter into any purchase, loan or
15 credit agreement, to draw moneys pursuant to any such
16 agreements on the terms and conditions stated therein and
17 to issue notes as evidence of borrowings made under any
18 such agreements.

19 (iii) To appoint as issuing and payment agent or
20 agents with respect to notes.

21 (iv) To do such other acts as may be necessary or
22 appropriate to provide for the payment, when due, of the
23 interest on and the principal of such notes. Such
24 agreements may provide for the compensation of any
25 purchasers or underwriters of notes or replacement notes
26 by discounting the purchase price of the notes or by
27 payment of a fixed fee or commission at the time of
28 issuance thereof, and all other costs and expenses,
29 including fees for agreements related to the notes,
30 issuing and paying agent costs and costs and expenses of

issuance may be paid from the proceeds of the notes.

(4) When the authorization and direction of the issuing officials provide for the issuance of replacement notes, the State Treasurer shall, at or prior to the time of delivery of these notes or replacement notes, determine the principal amounts, dates of issue, interest rate or rates or procedures for establishing such rates from time to time, rates of discount, denominations and all other terms and conditions relating to the issuance and shall perform all acts and things necessary to pay or cause to be paid, when due, all principal of and interest on the notes being refunded by replacement notes and to assure that the same may draw upon any moneys available for that purpose pursuant to any purchase, loan or credit agreements established with respect thereto, all subject to the authorization and direction of the issuing officials.

(5) Outstanding notes evidencing such borrowings may be funded and retired by the issuance and sale of the bonds of the Commonwealth as authorized in subsection (f). The refunding bonds must be issued and sold not later than a date three years after the date of issuance of the first notes evidencing the borrowings to the extent that payment of such notes has not otherwise been made or provided for by sources other than proceeds of replacement notes.

(6) The proceeds of all such temporary borrowings shall be paid to the State Treasurer to be held and disposed of in accordance with this act.

(f) Debt retirement.--

(1) All bonds issued under this act shall be redeemed at maturity, together with all interest due from time to time on

1 the bonds, and these principal and interest payments shall be
2 paid from the Dam Project Bond Sinking Fund, which is
3 established in the State Treasury. For the specific purpose
4 of redeeming the bonds at maturity and paying all interest
5 thereon in accordance with the information received from the
6 Governor, the General Assembly shall appropriate moneys to
7 the Dam Project Bond Sinking Fund for the payment of interest
8 on the bonds and notes and the principal thereof at maturity.
9 All moneys paid into the Dam Project Bond Sinking Fund and
10 all of the moneys not necessary to pay accruing interest
11 shall be invested by the State Treasurer in such securities
12 as are provided by law for the investment of the sinking
13 funds of the Commonwealth.

14 (2) The State Treasurer, with the approval of the
15 Governor, may at any time use any of the moneys in the Dam
16 Project Bond Sinking Fund not necessary for the purposes of
17 the referendum authorizing the indebtedness necessary to
18 carry out this act, for the purchase and retirement of all or
19 any part of the bonds and notes issued pursuant to this act.
20 In the event that all or any part of the bonds and notes are
21 purchased, they shall be canceled and returned to the loan
22 and transfer agent as canceled and paid bonds and notes, and
23 thereafter all payments of interest thereon shall cease. The
24 canceled bonds, notes and coupons, together with any other
25 canceled bonds, notes and coupons, shall be destroyed as
26 promptly as possible after cancellation but not later than
27 two years after cancellation. A certification evidencing the
28 destruction of the canceled bonds, notes and coupons shall be
29 provided by the loan and transfer agent to the issuing
30 officials. All canceled bonds, notes and coupons shall be so

1 marked as to make the canceled bonds, notes and coupons
2 nonnegotiable.

3 (3) The State Treasurer shall determine and report to
4 the Secretary of the Budget by November 1 of each year the
5 amount of money necessary for the payment of interest on
6 outstanding obligations and the principal of the obligations,
7 if any, for the following fiscal year and the times and
8 amounts of the payments. The Governor shall include in every
9 budget submitted to the General Assembly full information
10 relating to the issuance of bonds and notes under this act
11 and the status of the Dam Project Bond Sinking Fund for the
12 payment of interest on the bonds and notes and the principal
13 thereof at maturity.

14 (4) The General Assembly shall appropriate an amount
15 equal to the sum as may be necessary to meet repayment
16 obligations for principal and interest for deposit into the
17 Dam Project Bond Sinking Fund.

18 (g) Expiration.--Authorization to issue bonds and notes, not
19 including refunding bonds and replacement notes, for the purpose
20 of this act shall expire ten years from the effective date of
21 this section.

22 Section 10. Powers and duties of board.

23 (a) General rule.--The board shall implement and administer
24 the proceeds of the bonds issued under section 9 in conformity
25 with the provisions of section 10 of the act of March 1, 1988
26 (P.L.82, No.16), known as the Pennsylvania Infrastructure
27 Investment Authority Act.

28 (b) Specific powers of board.--In addition to any powers
29 under subsection (a), the board shall have the power to:

30 (1) Implement and administer the proceeds of the bonds

1 under section 9 to improve the adequacy or efficiency of all
2 dam removal, restoration and repair projects.

3 (2) Develop, in cooperation with the department, forms
4 for the applications of grants and loans including required
5 documentation and eligible project costs.

6 (3) Develop, in cooperation with the department,
7 eligibility criteria to implement the provisions of this act.

8 (4) Develop, in cooperation with the department,
9 requirements and criteria for the review of the applications
10 of grants and loans.

11 (5) Review, in cooperation with the department,
12 applications of grants and loans.

13 (6) Take all other actions necessary to implement and
14 administer the provisions of this act.

15 Section 11. Powers and duties of department.

16 The department shall have the power and duty to:

17 (1) Assist the board in the development of forms for the
18 applications of grants and loans including required
19 documentation and eligible project costs.

20 (2) Assist the board in the development of eligibility
21 criteria to implement the provisions of this act.

22 (3) Assist the board in the development of requirements
23 and criteria for the review of the applications of grants and
24 loans.

25 (4) Assist the board in the review of applications of
26 grants and loans.

27 (5) Notify every dam owner and local government unit
28 with a dam located within its boundaries of the availability
29 of and the criteria for qualifying and obtaining loans for
30 dam removal, restoration and repair projects.

1 Section 12. Effective date.

2 This act shall take effect immediately.