

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 470 Session of
2001

INTRODUCED BY KASUNIC, MELLOW, O'PAKE, WAGNER, MUSTO, BODACK,
COSTA, KITCHEN, KUKOVICH, LAVALLE, WOZNIAK AND LOGAN,
FEBRUARY 15, 2001

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY,
FEBRUARY 15, 2001

AN ACT

1 Amending the act of March 1, 1988 (P.L.82, No.16), entitled "An
2 act providing for the establishment, implementation and
3 administration of the Pennsylvania Infrastructure Investment
4 Authority; imposing powers and duties on a board of trustees;
5 transferring the rights, powers, duties and obligations of
6 the Water Facilities Loan Board to the Pennsylvania
7 Infrastructure Investment Authority; providing for the
8 issuance of notes and bonds; providing for financial
9 assistance and for a comprehensive water facilities plan;
10 authorizing a referendum to incur indebtedness; making an
11 appropriation; and making repeals," further providing for
12 financial assistance; and making an appropriation.

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

15 Section 1. Section 10(a), (d) and (e) of the act of March 1,
16 1988 (P.L.82, No.16), known as the Pennsylvania Infrastructure
17 Investment Authority Act, amended December 16, 1992 (P.L.1137,
18 No.149), are amended to read:

19 Section 10. Financial assistance.

20 (a) Criteria for obtaining assistance.--In reviewing
21 applications for financial assistance, the authority shall
22 consider:

1 (1) Whether the project will improve the health, safety,
2 welfare or economic well-being of the people of this
3 Commonwealth.

4 (2) Whether the proposed project will lead to an
5 effective or complete solution to the problems experienced
6 with the water management and control supply, sewage
7 treatment or storm water system to be aided, including
8 compliance with State and Federal laws, regulations or
9 standards.

10 (3) The cost-effectiveness of the proposed project in
11 comparison with other alternatives, including other
12 institutional, financial and physical alternatives.

13 (4) The consistency of the proposed project with other
14 State and regional resource management and economic
15 development plans.

16 (5) Whether the applicant has demonstrated its ability
17 to operate and maintain the project in a proper manner.

18 (6) Whether the project encourages consolidation of
19 water or sewer systems, where such consolidation would enable
20 the customers of the systems to be more effectively and
21 efficiently served.

22 (7) [The] Except in the case of a grant made under
23 subsection (d), the availability of other sources of funds at
24 reasonable rates to finance all or a portion of the project
25 and the need for authority assistance to finance the project
26 or to attract the other sources of funding.

27 * * *

28 (d) Small projects.--

29 (1) The board shall establish a program [of assistance]
30 to provide grants to water supply and sewage disposal systems

1 serving communities with a population of 12,000 people or
2 less or systems having hookups of 1,000 or less[.] in
3 accordance with the following:

4 (i) A grant shall be for the purposes of repairing
5 or constructing public sewage disposal systems or water
6 supply systems or to construct access roads to serve
7 public sewage disposal systems or water supply systems.

8 (ii) Except as otherwise provided in subparagraph
9 (iii), a grant shall not exceed \$50,000 or 50% of
10 eligible project costs, whichever is less.

11 (iii) In the case of a municipality that has been
12 determined to be distressed under the act of July 10,
13 1987 (P.L.246, No.47), known as the Municipalities
14 Financial Recovery Act, a grant shall not exceed \$75,000
15 or 75% of eligible project costs, whichever is less.

16 (2) The board shall establish a program to financially
17 assist storm water projects by municipalities with a
18 population of 12,000 people or less. In addition to other
19 factors which the board in its discretion may consider in
20 assigning priorities under this program, preference shall be
21 given where the municipality undertaking the project:

22 (i) has no natural watercourse within its
23 boundaries;

24 (ii) relies on methods of storm water control which
25 do not comply with Federal or State rules, regulations or
26 standards; or

27 (iii) has been found to be subject to karst sinkhole
28 development or other geologic condition which poses a
29 danger to person or property and which may be aggravated
30 by uncontrolled storm water flows.

(e) Grants.--[Grants]

(1) Except as otherwise provided in paragraph (2),
grants shall be made only when the board, in its sole discretion, determines that the financial condition of the recipient is such that repayment of a loan is unlikely and that the recipient will not be able to proceed with the project without a grant. In considering grant applications, the authority may recommend, either before or after the determination of the board, that the recipient pursue other State grant programs, including, but not limited to, the Site Development program, the Federal Small Communities Block Grant program and the Federal Urban Development Action Grant program. Should the board determine that a grant is necessary from the authority, the board shall attempt to mix the grant funds with loan funds, if financially possible.

(2) The provisions of this subsection shall not apply to
a grant made under subsection (d).

* * *

Section 2. The sum of \$20,000,000, or as much thereof as may be necessary, is hereby appropriated to the Pennsylvania Infrastructure Investment Authority to carry out the provisions of this act. This appropriation shall be a continuing one and shall not lapse.

Section 3. This act shall take effect immediately.