

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1175 Session of  
2005

INTRODUCED BY ALLEN, BELFANTI, ARGALL, ARMSTRONG, BELARDI, BOYD,  
CALTAGIRONE, CAPPELLI, CAWLEY, CRAHALLA, DeWEESE, GEIST,  
GINGRICH, GOODMAN, GRELL, HENNESSEY, HERMAN, M. KELLER, MANN,  
O'NEILL, PHILLIPS, READSHAW, REICHLEY, SCAVELLO, SCHRODER,  
T. STEVENSON, E. Z. TAYLOR, TRUE, WILT, YOUNGBLOOD AND  
YUDICHAK, MARCH 29, 2005

REFERRED TO COMMITTEE ON COMMERCE, MARCH 29, 2005

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," providing for financial  
12 assistance.

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

15 Section 1. Section 3 of the act of March 1, 1988 (P.L.82,  
16 No.16), known as the Pennsylvania Infrastructure Investment  
17 Authority Act, is amended by adding definitions to read:

18 Section 3. Definitions.

19 The following words and phrases when used in this act shall  
20 have the meanings given to them in this section unless the  
21 context clearly indicates otherwise:

1       \* \* \*

2       "Industrial development corporation." An organization  
3 certified under the act of May 17, 1956 (1955 P.L.1609, No.537),  
4 known as the Pennsylvania Industrial Development Authority Act,  
5 which is in good standing with the Department of Community and  
6 Economic Development.

7       "Keystone opportunity zone." A zone of deteriorated  
8 property, not to exceed a total of 5,000 acres, designated by  
9 the Department of Community and Economic Development under the  
10 act of October 6, 1998 (P.L.705, No.92), known as the Keystone  
11 Opportunity Zone and Keystone Opportunity Expansion Zone Act.

12       \* \* \*

13       Section 2. Section 10(d) of the act, amended December 16,  
14 1992 (P.L.1137, No.149), is amended and the section is amended  
15 by adding a subsection to read:  
16 Section 10. Financial assistance.

17       \* \* \*

18       (d) Small projects.--

19           (1) The board shall establish a program of assistance to  
20 water supply and sewage disposal systems serving communities  
21 with a population of 12,000 people or less or systems having  
22 hookups of 1,000 or less.

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

29                   (i) has no natural watercourse within its  
30 boundaries;

1 (ii) relies on methods of storm water control which  
2 do not comply with Federal or State rules, regulations or  
3 standards; or

4 (iii) has been found to be subject to karst sinkhole  
5 development or other geologic condition which poses a  
6 danger to person or property and which may be aggravated  
7 by uncontrolled storm water flows.

8 (3) (i) The board shall establish a small water/sewer  
9 project loan fund for municipalities with a population of  
10 10,000 people or less and shall issue loans from the fund  
11 not to exceed \$200,000 or 75% of eligible project costs  
12 for each loan, whichever is less. The borrower shall  
13 provide a local share in the form of matching funds or  
14 in-kind services at a minimum of 25% of the total project  
15 costs. The loan shall be for ten years at an interest  
16 rate of 2%.

17 (ii) Loans under this paragraph shall be used for  
18 the following purposes:

19 (A) Drinking water facilities including  
20 construction, rehabilitation, alteration, expansion  
21 or improvement of water facilities.

22 (B) Pumping stations, distribution and treatment  
23 facilities and reservoir rehabilitation projects.

24 (C) Sanitary sewage disposal facilities,  
25 including all facilities related to collection lines  
26 and sewage treatment facilities and excluding storm  
27 sewers.

28 (D) Access roads to serve a public water or  
29 sanitary sewer facility.

30 (4) (i) The board shall administer the Community

1 Facilities Grant Program, which is hereby established.  
2 The program shall provide supplemental financial  
3 assistance in the form of grants for needed public  
4 facilities to strengthen income-producing capability,  
5 improve health and safety and alleviate financial  
6 hardship of the community.

7 (ii) Grants may be awarded under this paragraph from  
8 moneys available under 27 Pa.C.S. (relating to  
9 Environmental Resources) and shall not exceed \$100,000  
10 for each grant. Certain eligible economically distressed  
11 communities, as determined under the act of July 10, 1987  
12 (P.L.246, No.47), known as the Municipalities Financial  
13 Recovery Act, may receive not more than \$125,000 for each  
14 grant.

15 (iii) Any borough, township or city with a  
16 population of 10,000 or less and municipal and county  
17 authorities serving such places is eligible for a grant  
18 under this paragraph. For projects serving more than one  
19 municipality, the population served may not exceed  
20 10,000.

21 (iv) Grants under this paragraph shall be used for  
22 the following purposes:

23 (A) Drinking water facilities including  
24 construction, rehabilitation, alteration, expansion  
25 or improvement of water facilities.

26 (B) Pumping stations, distribution and treatment  
27 facilities and reservoir rehabilitation projects.

28 (C) Sanitary sewage disposal facilities,  
29 including all facilities related to collection lines  
30 and sewage treatment facilities and excluding storm

1           sewers.

2           (D) Access roads to serve a public water or  
3           sanitary sewer facility.

4           (v) The board shall promulgate regulations to  
5           implement this paragraph.

6           (5) The board shall annually expend not more than  
7           \$15,000,000 from any funds available to the authority for the  
8           purpose of implementing paragraph (3).

9           \* \* \*

10          (f.1) Special conditions for keystone opportunity zones.--

11          (1) The board shall establish a program of assistance to  
12          water supply and sewage disposal systems serving communities  
13          in which keystone opportunity zones are located. The board  
14          shall establish a Keystone Opportunity Zone Project Loan Fund  
15          for assistance to projects located within keystone  
16          opportunity zone communities. Loans from the fund are not to  
17          exceed \$1,500,000 or 100% of eligible project costs for each  
18          loan, whichever is less. The loan shall be 20 years at no  
19          interest if the applicant within the keystone opportunity  
20          zone is an industrial development corporation, a municipality  
21          or a municipal authority. If the borrower is a private  
22          company or person, the interest rate on a loan shall be as  
23          determined under subsection (f), but shall be for no longer  
24          than 20 years. Loans under this subsection shall be used for  
25          the following purposes:

26               (i) Drinking water facilities, including  
27               construction, rehabilitation, alteration, expansion or  
28               improvement of water facilities.

29               (ii) Pumping stations, distribution and treatment  
30               facilities and reservoir rehabilitation projects.

1           (iii) Sanitary sewage facilities, including all  
2           facilities related to collection lines at sewage  
3           treatment facilities and storm sewers.

4           (iv) Access roads to serve a public water or  
5           sanitary sewer facility.

6           (2) The board shall also administer a Keystone  
7           Opportunity Zone Facilities Grant Program. The program shall  
8           provide supplemental financial assistance in the form of  
9           grants for needed public facilities in keystone opportunity  
10           zones for the same purposes as outlined previously in this  
11           subsection.

12           (3) A grant shall not exceed \$250,000. Grants shall be  
13           prioritized to projects that demonstrate significant  
14           opportunities for economic development as determined by the  
15           board and shall be made in conformance with subsection (e)  
16           and any guidelines promulgated by the authority.

17           \* \* \*

18           Section 3. The functions, powers and duties of the  
19 Department of Community and Economic Development with regard to  
20 the community facilities program as provided for in 13 Pa. Code  
21 Ch. 11 (relating to community facilities) are transferred to and  
22 shall be exercised by the authority, and all records, files and  
23 property now being used in connection with such functions,  
24 powers and duties and the unexpended balances of appropriations,  
25 allocations and other funds available or to be made available  
26 for use in connection with such functions, powers and duties are  
27 transferred to the authority.

28           Section 4. Each rule and regulation of the Department of  
29 Community and Economic Development relating to the Community  
30 Facilities Grant Program in effect on the effective date of this

1 act shall remain in effect after such date until repealed or  
2 amended by the board or until it terminates in accordance with  
3 its own terms.

4 Section 5. All acts and parts of acts are repealed insofar  
5 as they are inconsistent with this act.

6 Section 6. This act shall take effect in 60 days.