

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 482 Session of
1999

INTRODUCED BY E. Z. TAYLOR, RUBLEY, ORIE, FARGO, DeLUCA,
FICHTER, GEORGE, SCHULER, YOUNGBLOOD, BARRAR, HENNESSEY,
SAYLOR, HERMAN, MAHER, VANCE, WOJNAROSKI, SATHER, HERSHEY,
BELARDI, JOSEPHS, PIPPY, SEMMEL, BEBKO-JONES, STABACK,
SAINATO, MANDERINO, READSHAW, CAWLEY, BROWNE, SCHRODER,
GORDNER, McCALL, BAKER, ADOLPH, TIGUE, PLATTS, FAIRCHILD,
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LEDERER, WILLIAMS, CURRY, FREEMAN, PISTELLA, PETRARCA,
CIVERA, VAN HORNE, RAMOS, MUNDY, FORCIER, LYNCH, S. MILLER,
J. TAYLOR, TRELLO, PRESTON, L. I. COHEN, ROSS, SCRIMENTI,
KIRKLAND, THOMAS AND COY, FEBRUARY 9, 1999

REFERRED TO COMMITTEE ON AGING AND YOUTH, FEBRUARY 9, 1999

AN ACT

1 Establishing the Day-Care Facilities Microloan Program;
2 providing for terms and conditions of loans; providing
3 penalties; and making an appropriation.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Day-Care
8 Facilities Microloan Act.

9 Section 2. Definitions.

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

13 "Adult day care." Services simultaneously provided at an

1 older adult daily living center for four or more clients who are
2 not relatives of the operator for part of a 24-hour day.

3 "Child day care." In lieu of parental care given for part of
4 the 24-hour day to children under 16 years of age, away from
5 their own homes. The term does not include child day care
6 furnished in places of worship during religious services.

7 "Day-care facility." A State-approved child day-care or
8 adult day-care facility or program.

9 "Department." The Department of Community and Economic
10 Development of the Commonwealth.

11 "Secretary." The Secretary of Community and Economic
12 Development of the Commonwealth.

13 Section 3. Program establishment.

14 (a) Establishment.--There is hereby established, under the
15 direction of the department, a program to be known as the Day-
16 Care Facilities Microloan Program for the purpose of
17 establishing regional microloan funds for the expansion or
18 upgrading of day-care facilities in order that such facilities
19 may achieve compliance with State and local health and safety
20 standards.

21 (b) Administration.--The program shall be administered by
22 the department.

23 Section 4. Eligibility.

24 Applicants eligible to receive grants are any for-profit or
25 not-for-profit institution, corporation or association which is
26 willing to administer a revolving microloan program for five
27 years. This can include banks and other financial institutions
28 as well as community or civic groups.

29 Section 5. Applications.

30 Applicants must submit an application in the form and manner

1 prescribed by the secretary.

2 Section 6. Use of funds.

3 (a) General rule.--Grant funds shall be used to establish
4 microloan programs which will provide direct loans to qualified
5 day-care facilities for physical plant improvements which will
6 facilitate compliance with State and local health and safety
7 standards.

8 (b) Loan limit.--

9 (1) Applicants must agree to limit individual loans to
10 \$5,000 or less.

11 (2) Applicants must agree to limit loan terms to five
12 years or less.

13 (c) Operation of facility.--Applicants must agree to require
14 borrowers to operate the day-care facility for at least the term
15 of the loan and to repay the outstanding loan in full upon the
16 loss of license or certification, termination of lease,
17 transfer, sale or refinancing of the day-care facility, as
18 applicable, before the end of the term of the loan.

19 (d) Annual reports.--Annual reports shall be submitted to
20 the department by administrators of microloan programs and shall
21 include a list of loan recipients, amount of loans, uses of
22 loans and payback information. The department may require
23 additional information in the annual report.

24 (e) Return of principal.--At the conclusion of the five-year
25 loan period, the principal of the grant must be returned to the
26 department.

27 Section 7. Application procedures.

28 Applications for the Day-Care Facilities Microloan Program
29 shall be made to the department in a form and manner prescribed
30 by the secretary.

1 Section 8. Grant evaluation criteria.

2 The department shall, in evaluating grant applications, give
3 consideration to geographic distribution, community need and the
4 ability of the applicant to operate a microloan program.

5 Section 9. Receipts.

6 All receipts designated for the funds established by the
7 applicants shall be placed in the fund, including, but not
8 limited to: fees, interest payments and interest accruing on
9 investments of fund moneys and principal payments on loans.

10 Section 10. Additional powers and duties of department.

11 The department may prescribe such application forms,
12 promulgate and publish rules, regulations, procedures and
13 application manuals and request such information as may be
14 necessary to carry out this act.

15 Section 11. False statements or reports.

16 (a) Applications.--A person shall not knowingly make or
17 cause any false statement or report to be made in any
18 application or in any document furnished to the department.

19 (b) Influence of department actions.--A person shall not
20 knowingly make or cause any false statement or report to be made
21 for the purpose of influencing the action of the department on
22 an application for financial assistance or for the purpose of
23 influencing any action of the department affecting financial
24 assistance whether or not this assistance may have already been
25 extended.

26 (c) Penalty.--Any person or any aider or abettor who
27 violates any provision of this act commits a misdemeanor of the
28 first degree.

29 Section 12. Annual report to General Assembly.

30 The department shall submit an annual report to the General

1 Assembly which shall include the information required to be
2 submitted to them under section 6(e). This report shall also
3 include information specifying any costs to be incurred by the
4 department in the administration of this program and any
5 recommendations of the department for improvements to the Day-
6 Care Facilities Microloan Program.

7 Section 13. Appropriation.

8 An initial sum of \$500,000 is hereby appropriated to the
9 department to carry out this act for the fiscal period July 1,
10 1999, through June 30, 2005. No more than \$100,000 shall be
11 available for expenditure each fiscal year.

12 Section 14. Effective date.

13 This act shall take effect in 120 days.