AN ACT

Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An act providing for borrowing for capital facilities; conferring powers and duties on various administrative agencies and officers; making appropriations; and making repeals," in capital facilities, further providing for definitions and for appropriation for and limitation on redevelopment assistance capital projects and providing for administration of broadband capital projects and energy infrastructure capital projects; and making a related repeal.

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

Section 1. The definitions of "applicant" and "capital project" in section 302 of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, are amended and the section is amended by adding definitions to read:

Section 302. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:
"Applicant." A person that is seeking funding for a redevelopment assistance capital project, a broadband capital project or an energy infrastructure capital project that has been listed in a capital project itemization bill and that is one of the following:

1. A redevelopment authority.
2. An industrial development authority.
3. A general purpose unit of local government.
4. A local development district that has an agreement with a general purpose unit of local government under which the unit assumes ultimate responsibility for debt incurred to obtain the non-State financial participation.
5. A public authority established pursuant to the laws of this Commonwealth.
6. An industrial development agency:
   (i) which has been certified as an industrial development agency by the Pennsylvania Industrial Development Authority Board under the act of May 17, 1956 (1955 P.L.1609, No.537), known as the Pennsylvania Industrial Development Authority Act; and
   (ii) which is itself or which is acting through a wholly owned subsidiary that is exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)).

"Authority." The Commonwealth Financing Authority.

"Broadband capital project." The design and construction of a redevelopment capital assistance project for the installation of signal transmission facilities and associated network equipment proposed to be deployed in a project area used for the
provision of high-speed broadband service, including fiber optic
equipment, cables, cabinets, wires, junctions, hubs, nodes,
amplifiers, receivers, conduits or poles.

"Capital project." A flood control, highway, public
improvement, redevelopment assistance capital [or]
transportation assistance project, broadband capital project or
energy infrastructure capital project which is financed by debt
or by other funds and which meets all of the following:

(1) Is an undertaking to construct, repair, renovate,
improve, equip, furnish or acquire any:

   (i) building, structure, facility, infrastructure or
   physical public betterment or improvement;

   (ii) land or rights in land; or

   (iii) furnishings, machinery, apparatus or equipment
   for a building, structure, facility or physical public
   betterment or improvement.

(2) Is itemized in a capital project itemization bill as
a capital project.

(3) Has an estimated useful life in excess of five
years.

(4) Has an estimated financial cost in excess of
$100,000. This paragraph does not apply to original equipment
or furnishings for previously authorized public improvement
projects.

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"Energy infrastructure capital project." The design and
construction of a redevelopment capital assistance project for
the installation of one of the following:

(1) Compressed natural gas, liquid natural gas or
renewable natural gas infrastructure to incentivize the use
of motor vehicles using those sources as fuel.

(2) Improvements to coal and natural gas fired
generation units to comply with Federal or State pollution
control laws.

(3) Onsite cogeneration or combined heat and power
plants to provide electricity for manufacturing operations.

(4) Improvements to oil refineries to comply with
Federal or State pollution control laws.

(5) Conversion of coal-fired electricity generation
units to gas-fired electricity generation to comply with
Federal or State pollution control laws.

(6) Carbon capture or sequestration infrastructure,
including infrastructure for the production of blue hydrogen,
for use for the generation of electricity to comply with
Federal or State pollution control laws.

(7) The construction of an electric generation facility
that emits zero sulfur and reduces carbon emissions.

(8) Construction of above-ground storage facilities for
constituencies of wet gas to include ethane, pentane, butane,
and propane and associated infrastructure to include
transmission pipeline development.

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Section 2. Section 317(c) of the act is amended and the
section is amended by adding subsections to read:

Section 317. Appropriation for and limitation on redevelopment
assistance capital projects.

* * *

(b.1) Limitation.—The following limitations shall apply to
redevelopment assistance capital projects, broadband capital
projects and energy infrastructure capital projects:
(1) Subject to the adjustment under paragraph (2), the maximum amount of redevelopment assistance capital projects, broadband capital projects and energy infrastructure capital projects undertaken by the Commonwealth for which obligations are outstanding shall not exceed, in the aggregate, $3,350,000,000.

(2) Except as provided under paragraph (3), beginning July 1, 2018, and each July 1 thereafter until the sum of the outstanding obligations for redevelopment assistance capital projects, broadband capital projects and energy infrastructure capital projects undertaken by the Commonwealth equals $3,100,000,000, or July 1, 2022, whichever occurs first, the sum of the maximum amount of outstanding obligations for redevelopment assistance capital projects, broadband capital projects and energy infrastructure capital projects shall be decreased by $50,000,000.

(c) Housing units.--An amount not to exceed $50,000,000 of the amount under subsection [(b)] (b.1)(1) and (2) may be used for the construction of housing units.

(d) Broadband capital projects and energy infrastructure capital projects.--

(1) Beginning with the 2021-2022 fiscal year, an amount not to exceed $40,000,000 per fiscal year shall be available for broadband capital projects and energy infrastructure capital projects.

(2) This subsection shall expire on July 1, 2031.

Section 3. The act is amended by adding a section to read: Section 319. Administration of broadband capital projects and energy infrastructure capital projects.
(a) Limitation.--A broadband capital project or an energy infrastructure capital project may not receive funds unless the project was itemized in a capital project itemization bill or a capital budget bill, enacted within ten years of the date the project was approved under this section. For the purpose of this section, a broadband capital project or an energy infrastructure capital project which is itemized as a redevelopment assistance capital project in a capital project itemization bill or a capital budget bill enacted prior to the effective date of this section shall be deemed to have met the requirements of this subsection.

(b) Application.--An applicant shall submit an application to the authority consistent with the timeline established by the authority requesting a grant for a broadband capital project or an energy infrastructure capital project. The proposal must be on the form required by the authority and must include or demonstrate all of the following:

(1) The applicant's name and address.
(2) The location of the project.
(3) An estimate of the cost of the project, prepared by a qualified professional.
(4) A statement of the amount of the project grant sought, including a statement as to the financial necessity for the project grant.
(5) Any other information required by the authority.

(c) Review and approval.--The authority shall review the application to determine if all the requirements have been met. Upon being satisfied that all requirements have been met and after allowing for a 30-day public comment period, the board of the authority may approve the application, and, if approved, the
authority shall notify:

(1) The President pro tempore of the Senate.
(2) The Majority Leader of the Senate.
(3) The Minority Leader of the Senate.
(4) The Speaker of the House of Representatives.
(5) The Majority Leader of the House of Representatives.
(6) The Minority Leader of the House of Representatives.
(7) The chair and minority chair of the Appropriations Committee of the Senate.
(8) The chair and minority chair of the Appropriations Committee of the House of Representatives.
(9) The State senator and the State representative of the district where the broadband capital project or energy infrastructure capital project is located.
(10) The applicant.
(11) The office.

(d) Acceptance and grant agreement.--Within 30 days of receiving notification of approval under subsection (c), an applicant shall notify the office if the applicant accepts the grant. If the applicant notifies the office that the applicant intends to accept the grant, the office shall forward to the applicant a grant agreement to be executed by the applicant. The grant agreement and any attachments to the grant agreement shall include the following:

(1) The name and address of who will administer the grant.
(2) A statement and proof of local funding.
(3) An itemized statement of cost associated with the project.
(4) A contract obligating the applicant to use the grant.
for the project.

(5) A request for any other information the office may require.

(e) Execution.--The applicant shall return the information requested and the executed contract within the timelines established by the office. If the applicant fails to return the executed contract within the timelines established by the office, no contract may be executed by the office for the grant.

(f) Time period.--State funding for broadband capital projects and approved energy infrastructure capital projects shall be paid over not less than a 36-month period unless the board of the authority authorizes a shorter period.

(g) (Reserved).

(h) (Reserved).

(i) Verification.--Broadband capital project and energy infrastructure capital project cost estimates must be verified by the office or its designated agent before final approval is given to a project application. Cost estimates include total project cost, projected use for State and non-State funds and a year-by-year schedule of costs for the entire project construction phase.

(j) Bids.--Notwithstanding any other provision of law, the solicitation of a minimum of three written bids for all contracted construction work on broadband capital projects and energy infrastructure capital projects shall be the sole requirement for the composition, solicitation, opening and award of bids on such projects. Notwithstanding the foregoing, the construction work shall be performed subject to the act of March 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement Act.

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(k) Review and audit.--Broadband capital projects and energy infrastructure capital projects shall be reviewed at regular intervals by the office or its designated agent during the funding phase to ensure financial and program compliance. A final closeout audit shall be performed by the office or its designated agent for all projects.

(l) Fee.--To pay for administrative expenses related to broadband capital projects and energy infrastructure capital projects funded by Commonwealth general obligation bonds, the office may charge a fee against proceeds from bonds and notes which were sold to finance construction or acquisition costs of projects.

(m) Grant administration.--In the event any applicant does not administer the grant, the applicant shall enter into a cooperation agreement with the entity administering the grant, which agreement shall be subject to the approval of the office.

(n) Guidelines.--Within 60 days of the effective date of this subsection, the authority and the office shall establish guidelines concerning the administration of and approval process for broadband capital projects and energy infrastructure capital projects. The guidelines shall, at a minimum, establish application timelines, application content and the review, evaluation and award criteria and process. The criteria shall reflect population and geographic distinctions of various communities throughout this Commonwealth. The guidelines must be posted on the publicly accessible Internet website of the authority and the publicly accessible Internet website of the office. The guidelines under this subsection shall be coordinated with the guidelines adopted by the authority under section 7(d) of the act of November 25, 2020 (P.L.1253, No.132), 20210HB1629PN1804
(o) Disclosure.--Upon a broadband capital project or an energy infrastructure capital project being approved under this section, the office shall post on its publicly accessible Internet website the date of approval of the project, the name of the applicant, a short description of the project, the location of the project, including the municipality in which the project is located, and the amount of the project grant approved for the project.

Section 4. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of section 317(b.1) of the act.


Section 5. This act shall take effect immediately.