THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 916  Session of 2021

INTRODUCED BY L. WILLIAMS, COLLETT, MUTH, HUGHES, KANE, FONTANA, CAPPELLETTI, STREET, COSTA, PITTMAN, SANTARSIERO, COMITTA AND SCHWANK, NOVEMBER 1, 2021

REFERRED TO LOCAL GOVERNMENT, NOVEMBER 1, 2021

AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled "An act relating to the finances of the State government; providing for cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof,
every State depository and every debtor or creditor of the
Commonwealth," providing for American Rescue Plan water,
sewer and storm water assistance grants; and making an
appropriation.

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

Section 1. The act of April 9, 1929 (P.L.343, No.176), known
as The Fiscal Code, is amended by adding an article to read:

ARTICLE I-I

AMERICAN RESCUE PLAN WATER, SEWER AND
STORM WATER ASSISTANCE GRANTS.

Section 101-I. Definitions.

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

"Account." The COVID-19 Response Restricted Account
established under section 110-C.

"Agency." The Commonwealth Financing Authority established
under 64 Pa.C.S. Ch. 15 (relating to Commonwealth Financing
Authority).

"American Rescue Plan." American Rescue Plan Act of 2021
(Public Law 117-2, 135 Stat. 4).

"Authority." The Pennsylvania Infrastructure Investment
Authority established under the act of March 1, 1988 (P.L.82,
No.16), known as the Pennsylvania Infrastructure Investment
Authority Act.

"Current fiscal year." The fiscal year beginning July 1,
2021, and ending June 30, 2022.

"Eligible cost." The cost of all labor, materials, machinery
and equipment, lands, property, rights and easements, plans and
specifications, surveys or estimates of costs and revenues,
prefeasibility studies, engineering and legal services and all
other expenses necessary or incident to the acquisition,
construction, improvement, expansion, extension, repair or
rehabilitation of all or part of a project.

"Municipal authority." A body politic and corporate created
under any of the following:

(1) The former act of June 28, 1935 (P.L.463, No.191),
known as the Municipality Authorities Act of one thousand
nine hundred and thirty-five.

(2) The former act of May 2, 1945 (P.L.382, No.164),
known as the Municipality Authorities Act of 1945.

(3) 53 Pa.C.S. Ch. 56 (relating to municipal
authorities).

"Municipality." Either of the following:

(1) As defined in 1 Pa.C.S. § 1991 (relating to
definitions).

(2) A municipal authority or municipality authority.

"Program." The American Rescue Plan Water, Sewer and Storm
Water Infrastructure Assistance Grant Program established under
section 105-I(a).

"Project." The eligible costs associated with the
acquisition, construction, improvement, expansion, extension,
repair, rehabilitation or security measures of all or part of
any publicly owned facility or system for any of the following:

(1) The collection, treatment or disposal of wastewater,
including industrial waste.

(2) The supply, treatment, storage or distribution of
drinking water.

(3) The control of pollution associated with storm
water, including the transport, storage and the infiltration
of storm water.
(4) The best management practices to address pollution, including innovative techniques developed to comply with the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law, or identified in the county-prepared watershed plans under the act of October 4, 1978 (P.L.864, No.167), known as the Storm Water Management Act, or as identified in Pennsylvania's Nonpoint Source Management Program Update, as required under section 319(b) of the Federal Water Pollution Control Act (62 Stat. 1155, 33 U.S.C. § 1329(b)).

"Small water system." As defined in the act of March 16, 1992 (P.L.10, No.5), known as the Small Water Systems Assistance Act.

"Storm water." Drainage runoff from the surface of the land resulting from precipitation, snow or ice melt.


Any appropriations under this article shall be in addition to any appropriation under the act of June 30, 2021 (P.L., No.1A), known as the General Appropriation Act of 2021.

Section 103-I. Appropriations from account.

(a) Coronavirus State Fiscal Recovery Fund.--Notwithstanding section 111-C(q)(1), $350,000,000 of the Federal money from the Coronavirus State Fiscal Recovery Fund in the account is appropriated for the purpose of the award of grants to municipalities for projects as provided in this article.

(b) Amounts.--From the appropriation under subsection (a):

(1) $250,000,000 is allocated to the authority for the purpose of awarding grants under the program.

(2) $100,000,000 is allocated to the agency for the purpose of awarding grants under the program.
Section 104-I. Continuing appropriations.

The appropriations under this article are continuing appropriations and do not automatically lapse as of the close of the current fiscal year.

Section 105-I. American Rescue Plan Water, Sewer and Storm Water Infrastructure Assistance Grant Program.

(a) Establishment.--The American Rescue Plan Water, Sewer and Storm Water Infrastructure Assistance Grant Program is established. The program shall provide funding for grants as follows:

(1) The authority shall award grants to municipalities for projects under the act of March 1, 1988 (P.L.82, No.16), known as the Pennsylvania Infrastructure Investment Authority Act.

(2) The agency shall award grants to municipalities for projects that are small water systems under the act of March 16, 1992 (P.L.10, No.5), known as the Small Water Systems Assistance Act.

(b) Funds.--The following shall apply:

(1) The amount of grant funds awarded by the authority or agency to a municipality under this article shall be matched by Federal or local money at a ratio of 3.50 grant dollars to one Federal or local dollar. The authority or agency shall verify the Federal or local match for a project at the time.

(2) Grant funds received by a municipality under this article shall be used for projects. To the extent permitted by Federal law or guidance, associated administrative costs may not exceed 10% of the total amount of grant funds.

(c) Other requirements.--Each project shall align with the
requirements of the Clean Water State Revolving Fund and the
Drinking Water State Revolving Fund as outlined in guidance from
the United States Department of the Treasury.

Section 106-I. Authority and agency duties.

The authority and the agency shall have the following powers
and duties:

(1) Implement and administer the program in accordance
with Federal law or guidance. The agency shall compile and
transmit any information necessary to implement the program
and comply with programmatic and eligibility requirements
under Federal law or guidance.

(2) Monitor municipal authorities' administration of the
grant to ensure compliance with Federal and State
requirements.

(3) Allocate and disburse grant funds to municipalities.

(4) Require municipalities to submit reports containing
information required by the authority or agency and as
necessary for compliance with the American Rescue Plan in the
form and by the deadline prescribed by the authority or
agency.

(5) Monitor, inspect or audit the financial, operating
and accounting records of a municipal authority or contracted
entity that receives grant funds, if deemed necessary by the
authority or agency.

(6) Withhold, recover or reduce grant funds of a
municipality, municipal authority or contracted entity
determined to have administered the program in violation of
Federal or State requirements.

(7) Recoup and reallocate unobligated grant funds as
identified by the municipality, municipal authority or
(8) No later than 90 days after December 31, 2023, or any updated Federal deadline for the use of funds under the American Rescue Plan, whichever is later, issue a report to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and shall post the report to the authority's or agency's publicly accessible Internet website. The report shall include the following information:

(i) The total amount of grant funds received by a municipality.

(ii) The total amount of grant funds spent by a municipality for infrastructure improvements under section 105-I(a) and a brief description of the improvements.

(iii) The total number of small water systems that received improvements and a brief description of the types of improvements.

(iv) The total number of sewer systems that received improvements and a brief description of the types of improvements.

(v) The total number of wastewater systems that received improvements and a brief description of the types of improvements.

(vi) The total amount of infrastructure assistance provided under section 105-I(a).

(vii) An itemization of all expenditures for administrative costs.
The local county officials of each municipal authority that receives a grant under this article shall have the power and duty to:

(1) Utilize grant funds for the improvement of water, sewer and wastewater infrastructure in accordance with this article, information from the authority or agency and Federal law or guidance.

(2) Establish or maintain, in agreement with another municipality, local collaborative arrangements for the improvement of water, sewer and wastewater infrastructure under this article.

(3) Submit monthly reports, which shall include identified excess or insufficient funding and an itemization of expenditures for administrative costs to the authority or agency. The reports shall be subject to audit as determined by the authority or agency.

Section 108-I. Expiration.

This article shall expire on the later of:

(1) June 30, 2024.

(2) Any updated Federal deadline for the use of funds under the American Rescue Plan.

Section 2. This act shall take effect in 60 days.