

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL****No. 854**Session of  
1975

---

INTRODUCED BY MESSRS. LAUDADIO, RUGGIERO, DeMEDIO, BENNETT, GREEN, WARGO, GREENFIELD, LETTERMAN, GEORGE, PETRARCA, GALLEN, MORRIS, HASKELL, McCLATCHY, FISHER, COWELL, M. E. MILLER, KNEPPER, MRKONIC, CAPUTO, ARTHURS, LEVI, McCALL, W. W. WILT, YAHNER, MRS. GILLETTE, MESSRS. REED, VALICENTI, R. W. WILT, GRING, SHELTON, CIMINI, TURNER, MRS. FAWCETT, MESSRS. FINEMAN, DOMBROWSKI, KOWALYSHYN, TRELLO, BELLOMINI, STOUT, WANSACZ, LAUGHLIN, MYERS, IRVIS, BRUNNER, MANDERINO, ENGLEHART, GRIECO, MRS. CRAWFORD, MR. GALLAGHER, MRS. KERNICK, MESSRS. SHELHAMER, ROMANELLI, ABRAHAM, MENHORN, MISCEVICH, RENWICK, DeVERTER, S. E. HAYES, LYNCH, WILSON, PRENDERGAST, BITTLE, RYAN, SCHWEDER, MUSTO, CESSAR, PARKER, L. E. SMITH, HAMMOCK, RICHARDSON, MILLIRON, PERRY, DREIBELBIS, O'DONNELL, SULLIVAN, FISCHER, HALVERSON, MANMILLER, DORR, SHUPNIK, SALOOM, DININNI, HOPKINS, NOYE, MILANOVICH, PRATT, COLE, LEDERER, ROSS, GIAMMARCO, TAYOUN, JOHNSON, GEISLER, M. M. MULLEN, GOODMAN, GLEESON, VANN, DiDONATO, LINCOLN, McINTYRE, BERSON, ZELLER, PIEVSKY, RAPPAPORT, RHODES, SCIRICA, MISS SIRIANNI, MESSRS. WHELAN, WAGNER, BARBER, MRS. TOLL, MESSRS. OLIVER, RIEGER, BONETTO, MRS. KELLY, MESSRS. D. S. HAYES, DOYLE, GILLESPIE, O'KEEFE, ZORD, TADDONIO, KUSSE, FEE, McCUE, COHEN, SCHEAFFER, SCHMITT, SHANE, DIETZ, ANDERSON, SHUMAN, KELLY, KOLTER, GEESEY, O'CONNELL, BERLIN, BUTERA, A. K. HUTCHINSON, ZWIKL, DAVIS, ITKIN, NOVAK, DiCARLO, THOMAS AND O'BRIEN, MARCH 19, 1975

---

AS REPORTED FROM COMMITTEE ON CONSERVATION, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 8, 1975

---

## AN ACT

1 Amending the act of July 20, 1974 (No.198), entitled "An act  
2 establishing the Pennsylvania Solid Waste - Resource Recovery  
3 Development Fund, authorizing the Department of Environmental  
4 Resources to administer the fund and carry out the purposes  
5 of the act, to adopt rules, regulations, and procedures;  
6 imposing duties on loan applicants and recipients; imposing  
7 powers and duties on the Environmental Hearing Board and the  
8 Environmental Quality Board; providing remedies; prescribing  
9 penalties; and making an appropriation," providing for  
10 demonstration projects; providing for grants; imposing powers

1 and duties on the Department of Environmental Resources and  
2 the Environmental Quality Board and making an appropriation.

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

5 Section 1. The definition of "Construction" in section 3,  
6 act of July 20, 1974 (No.198), known as the "Pennsylvania Solid  
7 Waste - Resource Recovery Development Act," is amended to read:

8 Section 3. Definitions.--As used in this act:

9 "Construction," with respect to any demonstration or  
10 development project means (i) the erection or building of new  
11 structures, or the acquisition, replacement, expansion,  
12 remodeling, alteration, modernization, or extension of existing  
13 structures, but shall not include land costs or interests  
14 therein, and (ii) the acquisition and installation of initial  
15 equipment of, or required in connection with, new or newly  
16 acquired structures or the expanded, remodeled, altered,  
17 modernized or extended part of existing structures (excluding  
18 trucks and other motor vehicles used in collection of solid  
19 waste from residences, commercial establishments, industries and  
20 other sources of generation, but including tractors, cranes,  
21 trucks, transfer and other machinery necessary for the proper  
22 utilization and operation of the facility after completion of  
23 the project); and includes engineering design studies, drawings,  
24 and specifications and (iii) the inspection and supervision of  
25 the process of carrying out the project to completion.

26 Section 2. Section 3 of the act is amended by adding a  
27 definition to read:

28 Section 3. Definitions.--As used in this act:

29 \* \* \*

30 "Demonstration project," means a pilot or full scale

1 activity, conducted as a Solid Waste Management System or a  
2 component thereof in a municipality or municipalities designed  
3 to show the technical and economic feasibility of a new and  
4 improved technique, process or system applicable to a resource  
5 recovery project.

6 \* \* \*

7 Section 3. The introductory paragraph and clauses (1), (6),  
8 (7), (8) and (11) of section 4 of the act are amended to read:

9 Section 4. Powers and Duties of the Department.--The  
10 department is hereby authorized to serve as the administrator of  
11 the Pennsylvania Solid Waste - Demonstration Grants-in-Aid Fund  
12 and Solid Waste - Resource Recovery Development Fund and shall  
13 have and may exercise all powers necessary or appropriate to  
14 carry out and effectuate the purposes of this act, including the  
15 following powers, in addition to others herein granted:

16 (1) To make, upon proper application of solid waste -  
17 resource recovery agencies, loans to such development agencies  
18 of moneys held in the Solid Waste - Resource Recovery  
19 Development Fund for development projects and to provide for the  
20 repayment and redeposit of such allocations and loans in the  
21 manner hereinafter provided, and upon proper application make  
22 grants to such development agencies of moneys held in the Solid  
23 Waste - Demonstration Fund for demonstration projects, and to  
24 establish the priority of such loans and grants.

25 \* \* \*

26 (6) To take title by foreclosure or by the exercise of  
27 applicable conditions of the grant award contract to any  
28 demonstration or development project where such acquisition is  
29 necessary to protect any grant or loan previously made therefore  
30 by the department and to pay all costs arising out of such

1 foreclosure and acquisition from moneys held in the [fund]  
2 Development Fund or Demonstration Fund, whichever is applicable  
3 and to sell, transfer and convey any such demonstration project  
4 or development project or components thereof to any responsible  
5 buyer; in the event such sale, transfer and conveyance cannot be  
6 effected with reasonable promptness, the department may, in  
7 order to minimize financial losses and sustain employment, lease  
8 such demonstration project or development project to a  
9 responsible tenant or tenants; the department shall not lease  
10 demonstration projects or development projects except under the  
11 conditions and for the purpose cited in this section.

12 (7) To purchase first mortgages and to make payments on  
13 first mortgages on any demonstration project or development  
14 project where such purchase or payment is necessary to protect  
15 any grant or loan previously made therefore by the department,  
16 and to sell, transfer, convey and assign any such first  
17 mortgage. Moneys so used by the department in the purchase of  
18 any first mortgages, or any payments thereon, shall be withdrawn  
19 from the [fund] Development Fund or the Demonstration Fund,  
20 whichever is applicable, and any moneys derived from the sale of  
21 any first mortgages shall be deposited by the department in the  
22 appropriate fund.

23 (8) To audit, inspect, and review all books, records, and  
24 reports maintained by recipients of grants or loans made  
25 pursuant to this act.

26 \* \* \*

27 (11) To issue enforcement orders to grant or loan recipients  
28 whose books, records, or reports have not been maintained in the  
29 manner required by the department.

30 \* \* \*

1 Section 4. Section 4 of the act is amended by adding a  
2 clause to read:

3 Section 4. Powers and Duties of the Department.--The  
4 department is hereby authorized to serve as the administrator of  
5 the Pennsylvania Solid Waste - Resource Recovery Development  
6 Fund and shall have and may exercise all powers necessary or  
7 appropriate to carry out and effectuate the purposes of this  
8 act, including the following powers, in addition to others  
9 herein granted:

10 \* \* \*

11 (16) To establish priorities for grants based on the  
12 following guidelines:

13 (i) Whether the project is consistent with State, regional  
14 and local planning.

15 (ii) The degree to which the project can be expected to  
16 demonstrate results that will have general application to solid  
17 waste management problems within the Commonwealth.

18 (iii) Whether plans exist to continue the project as an  
19 ongoing service after the demonstration period.

20 (iv) The degree to which project objectives are attainable  
21 and measurable within the scope of the project.

22 (v) The projected quantity and quality of material and/or  
23 energy recovered.

24 (vi) The projected economic viability of the project.

25 (vii) The possible duplication of other existing or proposed  
26 projects.

27 (viii) The degree of improvement to the environment  
28 attainable from the project.

29 Section 5. Subsection (a) of section 6 and sections 7 and 8  
30 of the act are amended to read:

1 Section 6. Powers and Duties of the Environmental Quality  
2 Board.--(a) The Environmental Quality Board shall have the power  
3 and its duties shall be to adopt rules and regulations to  
4 accomplish the purposes of this act, including but not limited  
5 to the setting of a uniform interest rate to be applied to loans  
6 administered under this act. Such interest rate shall be  
7 [reviewed] established at three percent (3%) annually. [on the  
8 anniversary of the effective date of this act, and in no case  
9 shall the rate of interest be set at less than the interest rate  
10 paid by the Commonwealth on the last general obligation bonds  
11 issued prior to the date of such review.]

12 \* \* \*

13 Section 7. Grants and Loans to Development Agencies.--When  
14 it has been determined by the department upon application of a  
15 Solid Waste or Resource Recovery Development Agency ~~or nonprofit~~ ←  
16 ~~educational institution~~ and hearing thereon in the manner  
17 hereinafter provided, that the establishment of a particular  
18 demonstration project or development project of such development  
19 agency has accomplished or will accomplish the purposes of this  
20 act, the department may contract to grant and/or loan such  
21 development agency an amount not in excess of the percentage of  
22 the cost of such demonstration project or development project,  
23 as established or to be established as hereinafter set forth.

24 The department may contract to loan the development agency up  
25 to fifty percent (50%) of the cost of a solid waste  
26 disposal/processing system or a resource recovery system and  
27 grant the development agency up to seventy-five percent (75%) of  
28 the cost of a demonstration project, but not to exceed twenty-  
29 five percent (25%) of the grant appropriation, if it has  
30 determined that the agency holds funds or property in the amount

1 of value of five percent (5%) or more of the cost of the  
2 development project or demonstration project, which funds or  
3 property shall be applied to the establishment of such project:  
4 Provided, That development agencies applying for loans for solid  
5 waste disposal/processing systems shall demonstrate to the  
6 department through engineering, economic, and other appropriate  
7 studies that solid waste generation and recovered materials  
8 market commitments are insufficient or unavailable to support a  
9 resource recovery system: And further provided, That (1) loans  
10 for new solid waste disposal/processing systems shall be made  
11 only to municipalities which are or are in counties of the  
12 seventh and eighth class and where said systems shall serve a  
13 minimum population of ten thousand persons, except in those  
14 cases of seventh and eighth class counties where the total  
15 population is less than ten thousand persons and in those cases  
16 said systems shall serve the total populace of those counties;  
17 (2) loans for existing solid waste disposal/processing systems  
18 shall be made only to municipalities which are or are in  
19 counties of the fifth through eighth classes: Provided, however,  
20 That after July 1, 1975 no more than fifty percent (50%) of the  
21 available fund can be used in any one year for solid waste  
22 disposal/processing systems.

23 In reviewing applications for loans, the department shall  
24 consider the amounts of polluting substances treated and/or  
25 eliminated, the overall environmental benefits to be accrued as  
26 a result of the projects, the amount of population served, and  
27 the extent of resource recovery to be included: And, provided  
28 further, That no loan shall be granted for a project which does  
29 not conform to the requirements of the act of July 31, 1968  
30 (P.L.788, No.241), known as the "Pennsylvania Solid Waste

1 Management Act," or a project which would jeopardize the  
2 economic stability of existing solid waste disposal/processing  
3 or resource recovery systems already approved by the department  
4 as part of officially adopted solid waste management plans, and  
5 provided no grant or loan shall be made to any municipality  
6 which is not a part of a department approved solid waste  
7 management plan.

8 Any such loan of the department shall be for [ten] up to  
9 thirty years and shall bear interest at [such rate as shall be  
10 determined by the Environmental Quality Board] the established  
11 rate and shall be secured by bond or note of the development  
12 agency and by mortgage on the development project for which such  
13 loan was made, such mortgage to be second and subordinate only  
14 to the mortgage securing the first lien obligation issued to  
15 secure the commitment of funds from independent and responsible  
16 sources and used in the financing of the development project.

17 Any such grants of the department made for a demonstration  
18 project shall be encumbered for a period not to exceed three  
19 years.

20 Moneys so granted or loaned by the department to development  
21 agencies shall be withdrawn from the Solid Waste Demonstration  
22 Fund or Solid Waste - Resource Recovery Development Fund and  
23 paid over to the development agency in such manner as shall be  
24 provided and prescribed by the rules and regulations of the  
25 department.

26 All payments of interest on said loans and the principal  
27 thereof shall be deposited by the department in the fund.

28 [Loan] Grants and loans by the department to a development  
29 agency for a demonstration project or development project shall  
30 be made only in the manner and to the extent as in this section

1 provided except, however, in those instances wherein an agency  
2 of the Federal Government participates in the financing of a  
3 demonstration project or development project by loan, grant or  
4 otherwise of Federal funds. When any Federal agency does so  
5 participate the department may adjust the sequence ratios of  
6 financial participation by the development agency, the source of  
7 independent funds and the department in such manner as to insure  
8 the maximum benefit available to the development agency, the  
9 department, or both, by the participation of the Federal agency.

10 Where any Federal agency participating in the financing of a  
11 development project is not permitted to take as security for  
12 such participation a mortgage the lien of which is junior to the  
13 mortgage of the department, the department shall in such  
14 instances be authorized to take as security for its loan to the  
15 development agency a mortgage junior in lien to that of the  
16 Federal agency.

17 Section 8. Requirements of [Loan] Applicants and  
18 Recipients.--(a) Prior to the granting or loaning of any funds  
19 to a development agency for a [development] project, such agency  
20 shall submit to the department [a loan] an application in a form  
21 required by the department and containing such information as  
22 the department may require.

23 (b) [Loan recipients] Recipients shall maintain accurate  
24 fiscal and accounting records of all expenditures incurred and  
25 funds received in carrying out a development project pursuant to  
26 the provisions of this act.

27 (c) [Loan recipients] Recipients shall apply moneys received  
28 from the department under this act only to those purposes and  
29 activities authorized by [loan] contract or otherwise approved  
30 by the department.

1 Section 6. The act is amended by adding a section to read:

2 Section 9.1. Grant Appropriation; Solid Waste -  
3 Demonstration Grants-in-Aid Fund.--The sum of five million  
4 dollars (\$5,000,000) is hereby appropriated from the Development  
5 Fund for use by the department for grants-in-aid when the  
6 department in any one year shall determine such moneys are  
7 required to carry out the intent and purposes of this act.

8 There is hereby created a special account in the Treasury of  
9 the Commonwealth to be known as the "Solid Waste - Demonstration  
10 Fund" to which shall be accredited the above provided  
11 appropriation to the department.

12 If the department shall determine that moneys held for the  
13 credit of this fund are in excess of the amount needed by the  
14 department in this or any other fiscal year, such moneys shall  
15 be retained in the Development Fund and carried over into the  
16 succeeding fiscal year to carry out the purposes of this act.

17 Section 7. This act shall take effect immediately.