

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1596 Session of  
2005

INTRODUCED BY ALLEN, BAKER, CALTAGIRONE, ARGALL, BARRAR,  
BELARDI, BELFANTI, BOYD, BUNT, CAPPELLI, CAWLEY, CRAHALLA,  
GEIST, GINGRICH, GOODMAN, HARRIS, HERMAN, HESS, KILLION,  
MARSICO, MILLARD, MUSTIO, PETRARCA, PHILLIPS, PRESTON, PYLE,  
READSHAW, REICHLEY, SAINATO, SCAVELLO, STABACK, E. Z. TAYLOR,  
J. TAYLOR, TRUE, WALKO, WILT, YUDICHAK, HENNESSEY, SCHRODER  
AND DENLINGER, MAY 27, 2005

REFERRED TO COMMITTEE ON COMMERCE, MAY 27, 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 the  
12 definitions of "enterprise zone", "industrial development  
13 corporation" and "keystone opportunity zones", for financial  
14 assistance, for the transfer of certain powers and duties  
15 relating to community facilities and for the effectiveness of  
16 certain rules and regulations.

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

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

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

4 \* \* \*

5 "Enterprise zone." An area designated as an enterprise zone  
6 by the Secretary of Community and Economic Development.

7 \* \* \*

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

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

18 \* \* \*

19 Section 2. Section 10(d) of the act, amended December 16,  
20 1992 (P.L.1137, No.149), is amended and the section is amended  
21 by adding a subsection to read:

22 Section 10. Financial assistance.

23 \* \* \*

24 (d) Small projects.--

25 (1) The board shall establish a program of assistance to  
26 water supply and sewage disposal systems serving communities  
27 with a population of 12,000 people or less or systems having  
28 hookups of 1,000 or less.

29 (2) The board shall establish a program to financially  
30 assist storm water projects by municipalities with a

1 population of 12,000 people or less. In addition to other  
2 factors which the board in its discretion may consider in  
3 assigning priorities under this program, preference shall be  
4 given where the municipality undertaking the project:

5 (i) has no natural watercourse within its  
6 boundaries;

7 (ii) relies on methods of storm water control which  
8 do not comply with Federal or State rules, regulations or  
9 standards; or

10 (iii) has been found to be subject to karst sinkhole  
11 development or other geologic condition which poses a  
12 danger to person or property and which may be aggravated  
13 by uncontrolled storm water flows.

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

23 (ii) Loans under this paragraph shall be used for  
24 the following purposes:

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

28 (B) Pumping stations, distribution and treatment  
29 facilities and reservoir rehabilitation projects.

30 (C) Sanitary sewage disposal facilities.

1           including all facilities related to collection lines  
2           and sewage treatment facilities and excluding storm  
3           sewers.

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

6           (4) (i) The board shall administer the Community  
7           Facilities Grant Program, which is hereby established.  
8           The program shall provide supplemental financial  
9           assistance in the form of grants for needed public  
10           facilities to strengthen income-producing capability,  
11           improve health and safety and alleviate financial  
12           hardship of the community.

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

21           (iii) Any borough, township or city with a  
22           population of 10,000 or less and municipal and county  
23           authorities serving such places is eligible for a grant  
24           under this paragraph. For projects serving more than one  
25           municipality, the population served may not exceed  
26           10,000.

27           (iv) Grants under this paragraph shall be used for  
28           the following purposes:

29           (A) Drinking water facilities including  
30           construction, rehabilitation, alteration, expansion

1           or improvement of water facilities.

2           (B) Pumping stations, distribution and treatment  
3           facilities and reservoir rehabilitation projects.

4           (C) Sanitary sewage disposal facilities,  
5           including all facilities related to collection lines  
6           and sewage treatment facilities and excluding storm  
7           sewers.

8           (D) Access roads to serve a public water or  
9           sanitary sewer facility.

10          (v) The board shall promulgate regulations to  
11          implement this paragraph.

12          (5) The board shall annually expend not more than  
13          \$15,000,000 from any funds available to the authority for the  
14          purpose of implementing paragraph (3).

15          \* \* \*

16          (f.1) Special conditions for enterprise zones and keystone  
17          opportunity zones.--

18          (1) The board shall establish a program of assistance to  
19          water supply and sewage disposal systems serving communities  
20          in which enterprise zones or keystone opportunity zones are  
21          located. The board shall establish an Enterprise and Keystone  
22          Opportunity Zone Project Loan Fund for assistance to projects  
23          located within enterprise or keystone opportunity zone  
24          communities. Loans from the fund are not to exceed \$1,500,000  
25          or 100% of eligible project costs for each loan, whichever is  
26          less. The loan shall be for 20 years at no interest if the  
27          applicant within the enterprise zone or keystone opportunity  
28          zone is an industrial development corporation, a municipality  
29          or a municipal authority. If the borrower is a private  
30          company or person, the interest rate on a loan shall be as

determined under subsection (f), but shall be for no longer than 20 years. Loans under this subsection shall be used for the following purposes:

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

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

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

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

(2) The board shall also administer an Enterprise and Keystone Opportunity Zone Facilities Grant Program. The program shall provide supplemental financial assistance in the form of grants for needed public facilities in enterprise zones or keystone opportunity zones for the same purposes as outlined in paragraph (2).

(3) A grant shall not exceed \$250,000. Grants shall be made in conformance with subsection (e) and any guidelines promulgated by the authority.

\* \* \*

Section 3. The functions, powers and duties of the Department of Community and Economic Development with regard to the community facilities program as provided for in 13 Pa. Code Ch. 11 (relating to community facilities) are transferred to and shall be exercised by the authority, and all records, files and property now being used in connection with such functions, powers and duties and the unexpended balances of appropriations,

1 allocations and other funds available or to be made available  
2 for use in connection with the functions, powers and duties are  
3 transferred to the authority.

4 Section 4. Each rule and regulation of the Department of  
5 Community and Economic Development relating to the Community  
6 Facilities Grant Program in effect on the effective date of this  
7 section shall remain in effect until repealed or amended by the  
8 board or until it terminates in accordance with its own terms.

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

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