Providing for the funding of the development of comprehensive regional plans, competitive sites for businesses to locate or expand within this Commonwealth and competitive industrial and nonindustrial sites by assisting in the reduction of development risk; establishing the Pennsylvania Strategic Investments to Enhance Sites (PA SITES) Program, the PA SITES Fund and the PA SITES Debt Service Restricted Account; and conferring powers and duties on the Department of Community and Economic Development Pennsylvania Economic Development Financing Authority.

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

Section 1. Short title.

This act shall be known and may be cited as the Pennsylvania Strategic Investments to Enhance Sites (PA SITES) Program Act.

Section 2. Definitions.

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

"Bond." A type of revenue obligation, including a bond or
series of bonds, note, certificate or other instrument, issued
by the authority for the benefit of the department under this
act.

"Bond administrative expenses." Expenses incurred to
administer bonds issued by the authority under this act as
provided under the Financing Law or as otherwise necessary to
ensure compliance with Federal or State law.

"Bond obligations." The principal of a bond and any premium
and interest payable on a bond issued by the authority under
this act, together with any amount owed under a related credit
agreement or a related resolution of the authority authorizing a
bond, including refunding bonds.

"Credit agreement." A loan agreement, a revolving credit
agreement, an agreement establishing a line of credit, a letter
of credit or another agreement that enhances the marketability,
security or creditworthiness of a bond.

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

"Economic development organization." A nonprofit
organization whose mission is to advance the economic
development needs of a locality or region.

"Eligible applicant." One of the following entities located
within this Commonwealth:

(1) a municipality;
(2) an economic development organization;
(3) a redevelopment authority;
(4) a municipal authority;
(5) an industrial development agency; or
(6) a for-profit organization.
"Eligible projects." Any of the following:

(1) The development of a comprehensive real estate plan.

(2) The development of competitive industrial sites that provide for the relocation or expansion of businesses to or within this Commonwealth.

(3) The development of nonindustrial sites or any other project the department deems eligible.


"Fund." The PA SITES Fund established under section 6.

"Industrial development agency." As defined under section 3 of the act of May 17, 1956 (1955 P.L.1609, No.537), known as the Pennsylvania Industrial Development Authority Act.

"Municipal authority." A body corporate and politic created under 53 Pa.C.S. Ch. 56 (relating to municipal authorities); 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; or the former act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945.

"Municipality." A county, city, borough, incorporated town, township or home rule municipality.

"Office." The Office of the Budget of the Commonwealth.

"Program." The Pennsylvania Strategic Investments To Enhance Sites Program or PA SITES Program established under section 8.

"Redevelopment authority." A public body and a body corporate and politic created and organized under the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law.

Section 3. Bond issuance.

(a) Declaration of policy.--The General Assembly finds and
declares that funding the development of comprehensive regional
plans, competitive sites for businesses to locate or expand
within this Commonwealth and competitive industrial and
nonindustrial sites by assisting in reduction of development
risk, including interest, through the authority, is in the best
interest of this Commonwealth.

(b) Authority.--Notwithstanding any other law, the following
shall apply:

(1) The department, with the prior approval of the
office, may be a project applicant under the Financing Law
and may apply to the authority for money from the program.

(2) The authority may issue bonds under the Financing
Law, consistent with this act, to finance the program which
will provide funds for regional planning efforts as well as
the redevelopment, reuse or revitalization of a previously
utilized site for future use by businesses or others or the
development of an undeveloped site in this Commonwealth.

(c) Debt or liability.--

(1) Bonds issued under this act shall not be a debt or
liability of the Commonwealth and shall not create or
constitute any indebtedness, liability or obligation of the
Commonwealth.

(2) Bond obligations and bond administrative expenses
shall be payable solely from money pledged or available for
repayment as authorized under this act. This paragraph shall
include the proceeds of the issuance of bonds.

(3) Each bond shall contain on its face a statement
that:

(i) the authority is obligated to pay the principal
or interest on the bonds only from the money pledged or
available for repayment as authorized under this act;
(ii) neither the Commonwealth nor any political subdivision is obligated to pay the principal or interest; and
(iii) neither the full faith and credit of the Commonwealth or any political subdivision is pledged to the payment of the principal or interest on the bonds.

Section 4. Criteria for bond issuance.
(a) Issuance.--Bonds may be issued in one or more series, and each series may finance loans and reimbursement grants.
(b) Terms.--
(1) The department, with the approval of the office, shall specify in the department's application to the authority:
   (i) the maximum principal amount of the bonds for each bond issue; and
   (ii) the maximum term of the bonds consistent with applicable laws.
(2) The total aggregate principal amount for all bonds issued under this act may not exceed $500,000,000.
(3) The term of the bonds issued under this act may not exceed 30 years from the respective date of original issuance, excluding refunding bonds.

Section 5. Issuance of bonds, pledge, service agreement and security.
(a) Issuance.--The authority shall issue bonds upon approval of an application by the department. Bonds issued under this act shall be subject to the provisions of the Financing Law, unless otherwise specified in this act.
(b) Revenues pledged.--The Commonwealth pledges and
appropriates on a continuing basis the general revenues collected under Article II of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, for payment of bond obligations and bond administrative expenses for bonds or refunding bonds issued under this act.

(c) Service agreement authorized.--

(1) The authority and the department may enter into an agreement or service agreement to effectuate this act, under which the department shall agree to pay the bond obligations and bond administrative expenses to the authority in each fiscal year that the bonds or refunding bonds are outstanding in amounts sufficient to timely pay in full the bond obligations, bond administrative expenses and any other financing costs due on the bonds issued for the purposes specified in this act.

(2) The department's payment of bond obligations, bond administrative expenses and other financing costs due on the bonds as service charges under an agreement or service agreement shall be subject to and dependent upon the appropriation of funds by the General Assembly to the department for payment of the service charges. The service agreement may be amended or supplemented by the authority and the department in connection with the issuance of a series of bonds or refunding bonds authorized under this section.

(d) Security.--Bond obligations and bond administrative expenses may be secured for the benefit of the holders of the bonds and the obligees under credit agreements or the agreements under subsection (c), by pledge of a security interest in the following:

(1) Money relating to the bonds held on deposit in any
other fund or account under an instrument or agreement pertaining to the bonds, including bond reserves and interest income on the money.

(2) The security provided under this subsection shall not apply to money in any fund relating to arbitrage rebate obligations.

Section 6. Establishment of fund, sale of bonds and deposit.

(a) Establishment of fund.--The PA SITES Fund is established in the State Treasury as a restricted account.

(b) Sale of bonds.--The authority shall offer the bonds or each series of bonds, including refunding bonds, for sale by a public, competitive sale or a negotiated sale based on the authority's determination of which method will produce the most benefit to the Commonwealth.

(c) Deposit of bond proceeds.--The net proceeds of the bonds or each series of bonds, other than refunding bonds, exclusive of costs of issuance, reserves and any other financing charges, shall be deposited into the fund.

(d) Deposit of repayments and other money.--Money received from the recapture of grants or as loan repayments received under the program or money otherwise made available to the program shall be deposited into the fund and made available for additional grants and loans under section 8.

Section 7. Use of bond proceeds.

(a) Order.--Upon issuance of bonds, the proceeds shall be applied in the following order:

(1) pay the costs of issuance of the bonds, including any refunding bonds;

(2) fund bond reserves;

(3) refund outstanding bonds, if applicable;
(4) make any other deposit required under any instrument or agreement pertaining to the bonds; and
(5) deposit the balance into the fund.

(b) Application of balance.--The bond proceeds deposited under subsection (a)(5) are appropriated to and shall be expended by the department as follows:

(1) For the department to make program grants and loans to approved eligible applicants under section 8.
(2) For the expenses of the department in the administration of the program, not to exceed 0.02% of the bond proceeds in the aggregate over the life of the program.

Section 8. PA SITES Program.

(a) Establishment, administration and purpose.--

(1) The Pennsylvania Strategic Investments To Enhance Sites Program or PA SITES Program is established in the department.
(2) The department shall administer the program to provide grants and loans to approved eligible applicants for eligible projects.

(b) Eligible projects.--The department may award a grant or loan to an approved eligible applicant for the following costs of an eligible project:

(1) Acquisition of land and buildings, rights of way and easements.
(2) The construction or rehabilitation of one or more of the following:
   (i) Storm water drainage systems.
   (ii) Energy infrastructure that supports the generation and distribution of power and any end uses.
necessitated by the site, including, but not limited to, heating, cooling or energy used as an input for manufacturing.

(iii) Sanitary sewer systems, including, but not limited to, the construction or repair of sewage collection lines and sewage treatment facilities, including proration of costs for needed off-site facilities.

(iv) Water supply facilities, including, but not limited to, construction or repair of ground water sources, water lines and water storage and treatment facilities, including proration of costs for needed off-site facilities.

(v) Transportation facilities directly affecting the site of the proposed development, including:

(A) on-site and off-site road improvements;

(B) traffic signals;

(C) parking facilities;

(D) sidewalks;

(E) bridges;

(F) rails, including, but not limited to, the construction or rehabilitation of spurs, signals, crossings and intermodal facilities; and

(G) port-related facilities, including, but not limited to, dredging, docking facilities, bulkheads and intermodal facilities.

(vi) Facilities for the transmission of information, including, but not limited to, telephone lines, fiber-optic telecommunications lines and towers for wireless communications.
(vii) On-site amenities, such as recreational areas, which are reasonably expected to increase the value or attractiveness of the site.

(3) Demolition of existing structures at the site and removal of abandoned foundations at the site.

(4) The department may provide grant or loan money for the rehabilitation of existing on-site buildings if the eligible applicant can demonstrate that the potential for site reuse will be greater with the existing structure or structures.

(5) The clearing and preparation of land for construction.

(6) Environmental site assessment and remediation.

(7) Related engineering, design and inspection costs.

(8) Signage, landscaping and street lighting.

(9) Administrative costs, permit fees, legal costs and expenses for other professional services.

(10) Costs associated with the development of a comprehensive real estate plan.

(11) Other costs associated with the proposed eligible project as determined by the department.

(c) Department responsibilities.--The department shall:

(1) Develop written guidelines for the administration of the program to be published on the department's publicly accessible Internet website.

(2) Develop a certification program which verifies the site readiness of marketed sites across this Commonwealth.

(3) Develop a written competitive application and application process for the program. The grant and loan processes and application shall be available on the
department's publicly accessible Internet website.

(4) Develop a grant agreement for the program that includes provisions requiring an eligible applicant to return any unused or improperly used grant money to the Commonwealth.

(5) Develop loan documentation for the program consistent with this act.

(d) Evaluation criteria.--The department shall evaluate program applications on the following criteria:

(1) The eligible applicant's need for program funding for the eligible project.

(2) The feasibility of the proposed project, including whether the eligible applicant can complete the project with the available funding, including the proposed non-State source matching funds and the program grant or loan.

(3) The marketability of the site once the site has been fully developed.

(4) The need for developed business-ready sites in the community or surrounding area.

(5) The relative impact the project will have on the community, region and this Commonwealth.

(6) The increased employment opportunities resulting from the project in the community or the surrounding area.

(7) The amount and sources of non-State source matching money proposed to be invested in the project by the eligible applicant.

(8) The eligible applicant's demonstration of site control.

(9) The proposed time frame for commencement and completion of the project.
Identification of the project as a priority investment in a local or regional economic development plan.

Whether the eligible project is part of a comprehensive municipal plan or county plan and is zoned for development at the time of application.

Other criteria specified by the department in the program application that the department deems necessary to conduct a full evaluation of program applications.

Section 9. Payment of bond obligations and bond administrative expenses.

(a) PA SITES Debt Service Restricted Account.--The PA SITES Debt Service Restricted Account is established in the General Fund for the purpose of paying bond obligations due on bonds issued by the authority under this act and related bond administrative expenses due each fiscal year, including refunding bonds. Money deposited into the restricted account is appropriated to the department for the payment of bond obligations due on the bonds issued under this act, including refunding bonds, and bond administrative expenses of the department or the authority in connection with the bonds.

(b) Transmission of amount to General Assembly.--

(1) At the same time that the Governor submits the annual State budget and program and financing plan to the General Assembly under section 613 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, the Governor shall inform the General Assembly of the amount of general revenues of the Commonwealth collected under Article II of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, that must be transferred to the PA SITES Debt Service Restricted Account.
in the next ensuing fiscal year for the full payment of bond
obligations and bond administrative expenses due during that
fiscal year.

(2) The pledge of Commonwealth money is subordinate to
any pledge of money collected under Article II of the Tax
Reform Code of 1971 before the effective date of this section
for the outstanding indebtedness of other bonds issued by the
Commonwealth or one of its authorities or instrumentalities.

(c) Annual transfer.--By September 30 of the first fiscal
year in which bond obligations and bond administrative expenses
are due and by each September 30 thereafter for the term of the
bonds, including refunding bonds, the State Treasurer shall
transfer to the PA SITES Debt Service Restricted Account from
the general revenues of the Commonwealth collected under Article
II of the Tax Reform Code of 1971 the amount reported by the
Governor to the General Assembly under subsection (b). The State
Treasurer and the Secretary of the Budget shall consider General
Fund cash flow in determining when to make the transfer.

Section 10. Commonwealth not to impair bond-related
obligations.

The Commonwealth shall not do any of the following while each
bond or series of bonds, together with interest on the bonds,
are outstanding and have not been fully met and discharged:

(1) Limit or alter the rights and responsibilities of
the authority or the department under this act, including the
responsibility to:

   (i) pay bond obligations and bond administrative
   expenses; and

   (ii) comply with any other instrument or agreement
   pertaining to bonds.
(2) Alter or limit the service agreement or security interest.

(3) Impair the rights and remedies of the holders of bonds.

Section 11. No personal liability.
The members, directors, officers and employees of the department, the office and the authority shall not be personally liable as a result of good faith exercise of the rights and responsibilities granted under this act.

Section 12. Annual report.
No later than March 1 of the year following the first full year in which bonds have been issued under this act and for each year thereafter in which bond obligations existed in the prior year, the department shall submit an annual report to the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the State Government Committee of the Senate, the chair and minority chair of the Appropriations Committee of the House of Representatives and the chair and minority chair of the State Government Committee of the House of Representatives providing all data available on bonds issued or existing in the prior year. The report shall include existing and anticipated bond principal, interest and administrative costs, revenue, repayments, refinancing, overall benefits to counties and any other relevant data, facts and statistics that the department believes necessary in the content of the report.

Section 13. Expiration.
The authorization to issue bonds, other than refunding bonds, under this act shall expire two years from the effective date of this section.
Section 14. Effective date.

This act shall take effect in 60 days.