

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

**BILL NO.** House Bill 1410

**PRINTER NO.** 2161

**AMOUNT**

See Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

May 6, 2019

**PRIME SPONSOR**

Representative Stephens

**DESCRIPTION**

House Bill 1410 amends the Transit Revitalization Investment District Act by providing for military installation remediation from PFAS use.

This legislation adds Chapter 3-A creating the Military Installation Remediation Program to address remediation costs incurred in a qualified municipality. A qualified municipality is a municipality which has within its geographic bounds a qualified former military installation. A qualified former military installation is a parcel that was previously used by a branch of the United States Armed Forces for a military installation that was officially decommissioned based on the recommendation of the Defense Base Closure and Realignment Commission no more than 15 years prior to the effective date. A qualified authority is a municipal authority established under 53 Pa.C.S. Ch. 56 after the effective date for the purpose of funding military installation remediation projects.

A qualified authority shall submit an application to the Department of Revenue (department) which shall include a list of the parcels as designated by the authority including a qualified former military installation, the parcels previously subject to development restrictions due to the presence of the qualified former military installation and no more than 100 acres of parcels which are deteriorated. Parcels included within the application that meet criteria shall receive full designation for the program. A designation shall occur within 60 days after the submission of the application. An application approved shall be in effect for a period no later than 30 years from the effective date.

By November 15, 2019, and each September 1 thereafter, each qualified taxpayer shall file a report with the department including the amount of qualified tax paid and tax refund received in the prior calendar year. By January 15, 2020, and each December 1 thereafter, the department shall certify to the Office of Budget the amount of tax paid less the refunds received. The Office of the Budget shall direct the State Treasurer to transfer the aggregate amount of tax paid by all qualified parcels from the General Fund to the special fund established for the benefit of the each authority. The special fund shall be referred to as the Military Installation Remediation Fund.

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Eligible uses of funds include:

- operation costs of the authority;
- offsetting any surcharges applied to customers for remediation;
- offsetting any amount billed to customers for remediation;
- offsetting the costs of connecting a residence with a contaminated private well to a public water supply; and
- remaining monies may be used for transportation infrastructure and economic development costs, or payment of debt service on bonds or refinances for the acquisition, development, construction, reconstruction, renovation or refinancing of remediation projects of the qualified municipality.

Money transferred to the fund may not exceed 500% transferred in the prior year, and any excess money not utilized, designated or budgeted shall be returned to the General Fund.

The governing body of a qualified authority shall be composed of the following members:

1. Two members from the Senate subject to the following: (1) a member of the Senate permanently residing in the qualified municipality; (2) a member of the Senate permanently residing in a municipality immediately adjacent to the qualified municipality; and (3) if either does not apply, the President ProTempore of the Senate shall appoint a permanent resident or residents of the appropriate municipality;

2. Two members from the House of Representatives subject to the following: (1) a member of the House permanently residing in the qualified municipality; (2) a member of the House permanently residing in a municipality immediately adjacent to the qualified municipality; and (3) if either does not apply, the Speaker of the House shall appoint a permanent resident or residents of the appropriate municipality;

3. One permanent resident of the qualified municipality appointed by a school district which has within its geographic bounds a qualified former military installation;

4. One permanent resident of the qualified municipality appointed by an authority established to redevelop the qualified former military installation; and

5. One permanent resident of the qualified municipality appointed by the governing body of the qualified municipality.

Members appointed under (1), (2) and (4) above shall serve a 5-year term. All other members shall serve a 4-year term.

The legislation also requires the Pennsylvania Infrastructure Investment Authority (PennVEST) to establish a per-and-polyfluoroalkyl substance remediation program using funds available to PennVEST. PennVEST shall provide grants to water providers whose supply is contaminated with PFAS substances which are not due to the presence of a former military installation. Guidelines for the program shall be established by PennVEST.

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### **FISCAL IMPACT:**

House Bill 1410 redirects General Fund tax revenues paid by persons and businesses to a special fund established for the qualified authority to be used for PFAS remediation. The amount of funds redirected will be dependent on the amount of tax paid by parcels that will be designated by each qualified authority.

Due to PennVEST's nature as a revolving loan fund, providing grants will have a negative impact on total funds available. The demand for this program is dependent on the prevalence of contaminated water supplies across the Commonwealth. The Department of Environmental Protection is in the preliminary stages of developing methods for water testing for PFAS contamination for water supplies not near former military installations.