

Section 1. Short Title. This act shall be known and may be cited as the Private Dam Financial Assurance 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:

“Department.” The Department Of Community and Economic Development.

“Eligible costs.” Any actual cost to be incurred by an owner enrolled in the Private Dam Financial Assurance Program for repairs and maintenance to their dams. These costs shall include actual cost associated with breaching a dam, such as engineering fees, demolition, excavation, reclamation, and related costs.

“Fund.” The Private Dam Financial Assurance fund established under section 6 of this act

“Owner.” Any person who owns private a regulated dam in this commonwealth. The term does not include owners of commercial hydroelectric power generation facilities.

"Person." Includes any natural person, partnership, association, or corporation.

Section 3. Private Dam Financial Assurance Program.

- (a) Establishment.--The Department, in accordance with the Department of Environmental Protection, is hereby authorized to establish a program to provide financial assurance for private owners of regulated dams to assist in meeting any financial obligations under the Dam Safety and Encroachments Act (Act 325 of 1978) and any regulations promulgated thereunder.
- (b) Financial responsibility. Owners having current enrollment in the program shall be considered to have met all financial obligations for their dams under the Dam Safety and Encroachments Act (Act 325 of 1978) and any regulations promulgated thereunder.
- (c) Eligibility.—Financial Assurance shall be made available to owners located in this Commonwealth. To participate in the program, owners must:
 - (1) Be in compliance with the Owner’s Manual Inspection(s), inspected by the Department of Environmental Protection;
 - (2) Pay a one-time registration fee of \$1000 per dam.
 - (3) Have a current approved Emergency Action Plan
 - (4) Pay an annual fee equal to one percent of the bond amount required by the Department of Environmental Protection under the Dam Safety and Encroachments Act (Act 325 of 1978)and any regulations promulgated thereunder.
- (d) Application.—Owners seeking assurance under this act shall submit an application, on forms provided by the Department.

Section 4. Revolving Loan Program.

- (a) Establishment.—The department, in accordance with the Department of Environmental Protection, is hereby authorized to establish a revolving loan program for owners enrolled in the Private Dam Financial Assurance Program to provide assistance for eligible costs for repairs and maintenance to dams upon monies in the fund reaching an excess of \$1,500,000.
- (b) Loan Criteria.—The Department shall establish criteria by which to award loans under this program. Participation in the Private Dam Financial Assurance Program shall be considered collateral for any loans awarded under this section.
- (c) Loan amounts.—Loans may be granted of up to 100% of the eligible costs. No loan shall exceed \$500,000.
- (d) Application.—Owners seeking loans under this program must submit an application to the department. The application shall be on a form provided by the department and shall include all of the following:
 - (1) The name of applicant.
 - (2) A brief description of the project to be funded.
 - (3) A demonstrated estimate of the eligible costs of the project.
 - (4) Such other information as the department may require.
- (e) Repayment.—Loans shall have a repayment period of up to ten years.
- (f) Interest.—Interest rates shall be fixed at the time the loan is made and shall be equal to the Ten-Year United States Treasury Note on the date application is made.
- (g) Fee.—The Department may charge a loan origination fee not to exceed 1% of the approved loan amount.
- (h) Penalties.—The department shall establish penalties for loan recipients who fail to meet their repayments under the terms of their loan.

Section 5. Annual report.—The Department shall prepare an annual report for the General Assembly concerning activities and expenditures made pursuant to this act for the preceding year. Included in this report shall be information concerning all loans made to eligible applicants and applications denied.

Section 6. Private Dam Financial Assurance Fund.

- (a) Establishment of fund.—There is hereby created a special nonlapsing fund in the State Treasury to be known as the Private Dam Financial Assurance Fund. All payments and fees collected by the department under this act shall be paid into the Fund. All moneys placed in Fund and any interest it accrues are hereby appropriated to the department for use in accordance with this act.
- (b) Supplements to fund.—The Private Dam Financial Assurance Fund may be supplemented by appropriations from the General Assembly, the Federal, State or local government or from any private source.
- (c) Loans may be granted by the Department for dam repairs so long as a balance of at least \$1,500,000 remains in the fund.

Section 7.—Effective Date. This act shall take effect immediately.