
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2360 Session of
1974

INTRODUCED BY W. W. WILT, KENNEDY AND LAUDADIO, MAY 28, 1974

REFERRED TO COMMITTEE ON APPROPRIATIONS, MAY 28, 1974

AN ACT

1 Establishing the Pennsylvania Solid Waste Resource Recovery
2 Development Authority.

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

5 Section 1. Short Title.--This act shall be known as may be
6 cited as the "Pennsylvania Solid Waste - Resource Recovery
7 Development Act."

8 Section 2. Legislative Purpose.--The purposes of this act
9 are:

10 (1) To promote the construction, and application of solid
11 waste management and resource recovery systems which preserve
12 and enhance the quality of air, water, and land resources.

13 (2) To provide financial assistance to local governments and
14 development agencies in the planning and development of resource
15 recovery and solid waste disposal programs.

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

17 "Authority" means the public body corporate and politic
18 created by this act.

1 "Board" means the governing body of the authority.

2 "Construction," with respect to any development project means

3 (i) the erection or building of new structures and acquisition
4 of lands or interests therein, or the acquisition, replacement,
5 expansion, remodeling, alteration, modernization, or extension
6 of existing structures, and (ii) the acquisition and
7 installation of initial equipment of, or required in connection
8 with, new or newly acquired structures or the expanded,
9 remodeled, altered, modernized or extended part of existing
10 structures (including trucks and other motor vehicles, and
11 tractors, cranes, and other machinery) necessary for the proper
12 utilization and operation of the facility after completion of
13 the project; and includes preliminary planning to determine the
14 economic and engineering feasibility and the public health and
15 safety aspects of the project, the engineering, architectural,
16 legal, fiscal, and economic investigations and studies, and any
17 surveys, designs, plans, working drawings, specifications, and
18 other action necessary for the carrying out of the project, and
19 (iii) the inspection and supervision of the process of carrying
20 out the project to completion.

21 "County" means any county of this Commonwealth.

22 "Development agency" means a municipality, county or a group
23 thereof, a nonprofit corporation or a foundation or association
24 organized and existing under the laws of this Commonwealth,
25 regardless of the particular name, to whose members or
26 shareholders no profit shall enure and which shall have as a
27 purpose the promotion, encouragement, construction, development
28 and expansion of new or existing solid waste or resource
29 recovery systems.

30 "Development project" means the construction of a solid waste

1 disposal system or a resource recovery system.

2 "Federal agency" means and includes the United States of
3 America, the President of the United States of America, and any
4 department of, or corporation, agency or instrumentality
5 heretofore or hereafter created, designated or established by
6 the United States of America.

7 "Government" means the State and Federal Governments, or any
8 political subdivision, agency or instrumentality, corporate or
9 otherwise, or either of them.

10 "Municipality" means any city, borough, town or township of
11 the Commonwealth of Pennsylvania.

12 "Recovered resources" means materials or energy recovered
13 from solid wastes.

14 "Resource recovery system" means a solid waste management
15 system which provides for collection, separation, recycling, and
16 recovery of solid wastes, including disposal of nonrecoverable
17 waste residues.

18 "Responsible buyer" means any person, partnership, or
19 corporation deemed by the authority, after investigation, to be
20 financially responsible to assume all obligations prescribed by
21 the authority in the acquisition and operation of a development
22 project.

23 "Responsible tenant" means any person, partnership, or
24 corporation deemed by the authority, after investigation, to be
25 financially responsible to assume all rental and all other
26 obligations prescribed by the authority in the leasing and
27 operation of a development project.

28 "Solid waste" means garbage, refuse, and other discarded
29 solid materials, including solid waste materials resulting from
30 industrial, commercial, and agricultural operations, and from

1 community activities, but does not include solids or dissolved
2 material in domestic sewage or other significant pollutants in
3 water resources, such as silt, dissolved or suspended solids in
4 industrial waste water effluents, dissolved materials in
5 irrigation return flows or other common water pollutants.

6 "Solid waste disposal system" means a solid waste management
7 system that provides for the collection, storage, treatment,
8 utilization, processing, or final disposal of solid waste.

9 "Solid Waste - Resource Recovery Development Fund" means the
10 account created by this act and shall be referred to herein as
11 the fund.

12 Section 4. The Pennsylvania Solid Waste - Resource Recovery
13 Development Authority.--There is hereby created a body corporate
14 and politic, constituting a public corporation and government
15 instrumentality by the name of "The Pennsylvania Solid Waste -
16 Resource Recovery Development Authority," herein referred to as
17 the authority, the board of members of which shall be composed
18 of the following: The Secretary of Environmental Resources, who
19 will serve as chairman, the Secretary of Health, the Secretary
20 of Community Affairs and Secretary of Banking and their
21 respective successors in office and seven additional members who
22 shall be appointed by the Governor with the advice and consent
23 of the Senate who shall represent the general public and the
24 public interest. The members of the authority initially
25 appointed by the Governor shall continue in office for terms of
26 one to seven years, respectively, from the date of their
27 appointment and until their respective successors shall be duly
28 appointed and qualified, the term of each appointed member to be
29 designated by the Governor at the time of his appointment; but
30 their successors shall each be appointed for a term of seven

1 years, except that any person appointed to fill a vacancy shall
2 serve only for the unexpired term, and any appointed member of
3 the authority shall be eligible for reappointment. Said members
4 of the authority shall be entitled to no compensation for their
5 services as members, but shall be entitled to reimbursement for
6 all necessary expenses incurred in connection with the
7 performance of their duties as members.

8 Section 5. Powers of the Authority; General.--(a) The
9 authority, as a public corporation and governmental
10 instrumentality exercising public powers of the Commonwealth, is
11 hereby granted and shall have and may exercise all powers
12 necessary or appropriate to carry out and effectuate the
13 purposes of this act, including the following powers, in
14 addition to others herein granted:

15 (1) To cooperate with solid waste - resource recovery
16 development agencies in their efforts to promote the expansion
17 of solid waste and resource recovery systems.

18 (2) To issue subpoenas requiring the attendance of witnesses
19 and the production of books and papers pertinent to any hearing
20 before such authority, or before one or more members of the
21 authority appointed by it to conduct such hearing.

22 (3) To apply to any court, having territorial jurisdiction
23 of the offense, to have punished for contempt any witness who
24 refuses to obey a subpoena, or who refuses to be sworn or
25 affirmed or to testify, or who is guilty of any contempt after
26 summons to appear.

27 (4) To authorize any member or members of such authority to
28 conduct hearings and to administer oaths, take affidavit and
29 issue subpoenas.

30 (5) To make, upon proper application of solid waste -

1 resource recovery agencies, loans to such development agencies
2 of moneys held in the Solid Waste - Resource Recovery
3 Development Fund for development projects and to provide for the
4 repayment and redeposit of such allocations and loans in the
5 manner hereinafter provided.

6 (6) To have existence for a term of fifty years.

7 (7) To sue and be sue, implead and be impleaded, complain
8 and defend in all courts.

9 (8) To adopt, use and alter at will a corporate seal.

10 (9) To make bylaws for the management and regulation of its
11 affairs.

12 (10) To appoint officers, agents, employees and servants;
13 and to prescribe their duties and to fix their compensation,
14 within the limitations provided by law.

15 (11) To make contracts of every name and nature and to
16 execute all instruments necessary or convenient for the carrying
17 on of its business.

18 (12) Without limitation of the foregoing, accept grants
19 from, and to enter into contracts or other transactions with any
20 Federal agency.

21 (13) To take title by foreclosure to any development project
22 where such acquisition is necessary to protect any loan
23 previously made therefor by the authority and to pay all costs
24 arising out of such foreclosure and acquisition from moneys held
25 in the fund and to sell, transfer and convey any such industrial
26 development project to any responsible buyer; in the event such
27 sale, transfer and conveyance cannot be effected with reasonable
28 promptness, the authority may, in order to minimize financial
29 losses and sustain employment, lease such development project to
30 a responsible tenant or tenants; the authority shall not lease

1 development projects except under the conditions and for the
2 purposes cited in this section.

3 (14) To purchase first mortgages and to make payments on
4 first mortgages on any development project where such purchase
5 or payment is necessary to protect any loan previously made
6 therefor by the authority, and to sell, transfer, convey and
7 assign any such first mortgage. Moneys so used by the authority
8 in the purchase of any first mortgages, or any payments thereon,
9 shall be withdrawn from the fund, and any moneys derived from
10 the sale of any first mortgages shall be deposited by the
11 authority in the fund.

12 (b) The authority shall have no power at any time to borrow
13 money or in any manner to pledge the credit or taxing power of
14 the Commonwealth or any of its municipalities or political
15 subdivisions, nor shall any of its obligations be deemed to be
16 obligations of the Commonwealth or any of its political
17 subdivisions.

18 Section 6. Powers of the Authority; Loans to Development
19 Agencies.--When it has been determined by the authority upon
20 application of a Solid Waste or Resource Recovery Development
21 Agency and hearing thereon in the manner hereinafter provided,
22 that the establishment of a particular development project of
23 such development agency has accomplished or will accomplish the
24 public purposes of this act, the authority may contract to loan
25 such development agency an amount not in excess of the
26 percentage of the cost of such development project, as
27 established or to be established as hereinafter set forth:

28 If the development project is exclusively a solid waste
29 disposal system, the authority may contract to loan the
30 development agency forty per cent of the cost of such system if

1 it has determined that the agency holds funds or property in the
2 amount or value of five per cent or more of the cost of the
3 development project, which funds or property shall be applied to
4 the establishment of such project.

5 If the development project includes a resource recovery
6 system, the authority may contract to loan the development
7 agency fifty per cent of the cost of such system if it has
8 determined that the agency holds funds or property in the amount
9 or value of five per cent or more of the cost of the development
10 project, which funds or property shall be applied to the
11 establishment of such project.

12 Any such loan of the authority shall be for such period of
13 time and shall bear interest at such rate as shall be determined
14 by the authority and shall be secured by bond or note of the
15 development agency and by mortgage on the development project
16 for which such loan was made, such mortgage to be second and
17 subordinate only to the mortgage securing the first lien
18 obligation issued to secure the commitment of funds from the
19 aforesaid independent and responsible sources and used in the
20 financing of the development project.

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

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

28 Loans by the authority to a development agency for a
29 development project shall be made only in the manner and to the
30 extent as in this section 6 provided, except, however, in those

1 instances wherein an agency of the Federal Government
2 participates in the financing of a development project by loan,
3 grant or otherwise of Federal funds. When any Federal agency
4 does so participate the authority may adjust the required ratios
5 of financial participation by the development agency, the source
6 of independent funds and the authority in such manner as to
7 insure the maximum benefit available to the development agency,
8 the authority, or both, by the participation of the Federal
9 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 authority, the authority shall in such instances
14 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 7. Loan Application Requirements.--Prior to the
18 loaning of any funds to an development agency for a development
19 project, the authority shall receive from such development
20 agency a loan application in form adopted by the authority,
21 which shall contain, such information as the authority may
22 require by rule or regulation.

23 Section 8. Appropriation; Development Fund.--The sum of
24 twenty-five million dollars (\$25,000,000) is hereby specifically
25 appropriated to the authority for the purposes set forth in this
26 act.

27 There is hereby created a special account in the Treasury of
28 the Commonwealth to be known as the Solid Waste - Resource
29 Recovery Development Fund to which shall be accredited the above
30 provided appropriation and any subsequent appropriations made by

1 the Legislature to the authority, as well as such other deposits
2 as in this section provided.

3 As often as may be necessary, the authority shall requisition
4 from the fund such amounts as may be necessary to provide
5 adequate funds for the payment of the administration of the
6 purpose of this act.

7 The authority shall also requisition, from time to time, from
8 the fund such amounts as shall be allocated and appropriated by
9 the authority for loans to development agencies for development
10 projects. When and as the amounts so allocated and appropriated
11 by the authority as loans to development agencies are repaid to
12 the authority pursuant to the terms of the mortgages and other
13 agreements made and entered into by the authority, the authority
14 shall pay such amounts into the fund, it being the intent of
15 this act that the fund shall operate as a revolving fund whereby
16 all appropriations and payments made thereto may be applied and
17 reapplied to the purposes of this act.

18 At any time that the authority shall determine that funds
19 held for the credit of the fund are in excess of the amount
20 needed by the authority to carry out the purposes of this act,
21 the authority shall take such action as shall be required to
22 release such excess from the fund and transfer the same to the
23 General Fund of the State Treasury.

24 Section 9. Governing Body.--The powers of the authority
25 shall be exercised by a governing body consisting of the members
26 of the authority acting as a board. Within ninety days after
27 this act shall become effective, the board shall meet and
28 organize. The Secretary of Environmental Resources and his
29 successor in office shall be the chairman and chief executive
30 officer and the board shall elect a secretary and treasurer from

1 their number. At the first meeting in each year thereafter, They
2 shall elect from their number a secretary and treasurer.

3 A majority of the members shall constitute a quorum of the
4 board for the purpose of organizing the authority and conducting
5 the business thereof, and, except in the instance of loan
6 applications, all action may be taken by a vote of a majority of
7 the members present, unless in any case the by-laws shall
8 require a larger number; approval or rejection of loan
9 applications shall be by a majority vote of the full membership
10 of the board: Provided, however That no loan may be granted for
11 a project that does not conform to the requirements of the Solid
12 Waste Management Act.

13 The board shall have full authority to manage the properties
14 and business of the authority, and to prescribe, amend and
15 repeal by-laws, rules and regulations governing the manner in
16 which the business of the authority may be conducted, and the
17 powers granted to it may be exercised and embodied.

18 The Department of Environmental Resources shall provide staff
19 services to the authority for its administration of the act,
20 including liaison between the authority and development agencies
21 and related organizations, and between the authority and other
22 agencies of the Commonwealth whose facilities and services may
23 be useful to the authority in its work.

24 The authority is authorized to make reimbursement to any
25 agency of the Commonwealth for such special expenses as may be
26 incurred in the provision of any services or the use of any
27 facilities required by the authority.

28 In addition, the authority may employ an executive director,
29 appoint, subject to the Administrative Code, its own counsel and
30 legal staff, and, as required for special studies and surveys,

1 retain such temporary engineering, finance and other consultants
2 and technicians as it may require.

3 Section 10. Money of the Authority.--All moneys of the
4 authority from whatever source derived shall be paid to the
5 treasurer of the authority. Said moneys shall be deposited in
6 the first instance by the treasurer in one or more banks or
7 trust companies, in one or more special accounts, and each of
8 such special accounts shall be continuously secured by a pledge
9 of direct obligations of the United States of America or of the
10 Commonwealth, having an aggregate market value, exclusive of
11 accrued interest, at all times at least equal to the balance on
12 deposit in such account. Such securities shall either be
13 deposited with the treasurer or be held by a trustee or agent
14 satisfactory to the authority. All banks and trust companies are
15 authorized to give such security for such deposits. The moneys
16 in said accounts shall be paid out on the warrant or other order
17 of the treasurer of the authority, or of such other person or
18 persons as the authority may authorize to execute such warrants
19 or orders.

20 Section 11. Interest in Contracts or Agreements.--No member
21 of the authority or officer or employe thereof shall either
22 directly or indirectly be a party to or be in any manner
23 interested in any contract or agreement with the authority for
24 any matter, cause or thing whatsoever by reason whereof any
25 liability or indebtedness shall in any way be created against
26 such authority. If any contract or agreement shall be made in
27 violation of the provisions of this section the same shall be
28 null and void and no action shall be maintained thereon against
29 such authority.

30 Section 12. Limitation of Powers.--The Commonwealth does

1 hereby pledge to and agree with the United States and any other
2 Federal agency that in the event that any Federal agency shall
3 construct or loan or contribute any funds for the construction,
4 extension, improvement or enlargement of any development
5 project, or any portion thereof, the Commonwealth will not alter
6 or limit the rights and powers of the authority in any manner
7 which would be inconsistent with the due performance of any
8 agreements between the authority and any such Federal agency,
9 and the authority shall continue to have and may exercise all
10 powers herein granted, so long as the same shall be necessary or
11 desirable for the carrying out of the purposes of this act.

12 Section 13. Examination and Audit of Authority Affairs.--The
13 accounts and books of the authority, including its receipts,
14 disbursements, contracts, mortgages, investments and other
15 matters relating to its finances, operation and affairs shall be
16 examined and audited from time to time by the Auditor General as
17 provided in the Administrative Code.