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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 2360** Session of  
1974

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

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AS REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, MAY 29, 1974

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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

1 created by this act.

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

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

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

22 "County" means any county of this Commonwealth.

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

1 "Development project" means the construction of a solid waste  
2 disposal system or a resource recovery system.

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

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

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

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

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

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

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

29 "Solid waste" means garbage, refuse, and other discarded  
30 solid materials, including solid waste materials resulting from

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

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

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

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

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

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

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

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

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

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

1 (5) To make, upon proper application of solid waste -  
2 resource recovery agencies, loans to such development agencies  
3 of moneys held in the Solid Waste - Resource Recovery  
4 Development Fund for development projects and to provide for the  
5 repayment and redeposit of such allocations and loans in the  
6 manner hereinafter provided.

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

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

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

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

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

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

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

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

1 a responsible tenant or tenants; the authority shall not lease  
2 development projects except under the conditions and for the  
3 purposes cited in this section.

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

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

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

29 If the development project is exclusively a solid waste  
30 disposal system, the authority may contract to loan the

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

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

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

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

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

29 Loans by the authority to a development agency for a  
30 development project shall be made only in the manner and to the



1 extent as in this section 6 provided, except, however, in those  
2 instances wherein an agency of the Federal Government  
3 participates in the financing of a development project by loan,  
4 grant or otherwise of Federal funds. When any Federal agency  
5 does so participate the authority may adjust the required ratios  
6 of financial participation by the development agency, the source  
7 of independent funds and the authority in such manner as to  
8 insure the maximum benefit available to the development agency,  
9 the authority, or both, by the participation of the Federal  
10 agency.

11 Where any Federal agency participating in the financing of a  
12 development project is not permitted to take as security for  
13 such participation a mortgage the lien of which is junior to the  
14 mortgage of the authority, the authority shall in such instances  
15 be authorized to take as security for its loan to the  
16 development agency a mortgage junior in lien to that of the  
17 Federal agency.

18 Section 7. Loan Application Requirements.--Prior to the  
19 loaning of any funds to an development agency for a development  
20 project, the authority shall receive from such development  
21 agency a loan application in form adopted by the authority,  
22 which shall contain, such information as the authority may  
23 require by rule or regulation.

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

28 There is hereby created a special account in the Treasury of  
29 the Commonwealth to be known as the Solid Waste - Resource  
30 Recovery Development Fund to which shall be accredited the above

1 provided appropriation and any subsequent appropriations made by  
2 the Legislature to the authority, as well as such other deposits  
3 as in this section provided.

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

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

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

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

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

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

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

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

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

29 In addition, the authority may employ an executive director,  
30 appoint, subject to the Administrative Code, its own counsel and

1 legal staff, and, as required for special studies and surveys,  
2 retain such temporary engineering, finance and other consultants  
3 and technicians as it may require.

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

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

1       Section 12. Limitation of Powers.--The Commonwealth does  
2 hereby pledge to and agree with the United States and any other  
3 Federal agency that in the event that any Federal agency shall  
4 construct or loan or contribute any funds for the construction,  
5 extension, improvement or enlargement of any development  
6 project, or any portion thereof, the Commonwealth will not alter  
7 or limit the rights and powers of the authority in any manner  
8 which would be inconsistent with the due performance of any  
9 agreements between the authority and any such Federal agency,  
10 and the authority shall continue to have and may exercise all  
11 powers herein granted, so long as the same shall be necessary or  
12 desirable for the carrying out of the purposes of this act.

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

19       SECTION 14. THIS ACT SHALL TAKE EFFECT JULY 1, 1974.

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