
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2360 Session of
1974

INTRODUCED BY MESSRS. W. W. WILT, KENNEDY, LAUDADIO, D. S. HAYES
AND NOYE, MAY 28, 1974

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 6, 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

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.~~ CONSIST OF (I) A CONSUMER OF RECOVERED FERROUS <—
26 SCRAP PRODUCTS FROM THE SOLID WASTE RECOVERY PLANT; (II) A
27 CONSUMER OF NONFERROUS SCRAP METAL OR PAPER PRODUCTS FROM THE
28 SOLID WASTE RECOVERY PLANT; (III) A REPRESENTATIVE OF A
29 RECOGNIZED STATEWIDE CONSERVATION GROUP; (IV) THE DEAN OF THE
30 SCHOOL OF MINERAL SCIENCE AT PENNSYLVANIA STATE UNIVERSITY; (V)

1 A PROFESSIONAL ENGINEER SPECIALIZING IN THE CONSTRUCTION OF
2 SOLID WASTE TREATMENT PLANTS; (VI) A FERROUS SCRAP METAL
3 PROCESSOR; AND (VII) A NONFERROUS METAL OR PAPER SCRAP
4 PROCESSOR. The members of the authority initially appointed by
5 the Governor shall continue in office for terms of one to seven
6 years, respectively, from the date of their appointment and
7 until their respective successors shall be duly appointed and
8 qualified, the term of each appointed member to be designated by
9 the Governor at the time of his appointment; but their
10 successors shall each be appointed for a term of seven years,
11 except that any person appointed to fill a vacancy shall serve
12 only for the unexpired term, and any appointed member of the
13 authority shall be eligible for reappointment. Said members of
14 the authority shall be entitled to no compensation for their
15 services as members, but shall be entitled to reimbursement for
16 all necessary expenses incurred in connection with the
17 performance of their duties as members.

18 Section 5. Powers of the Authority; General.--(a) The
19 authority, as a public corporation and governmental
20 instrumentality exercising public powers of the Commonwealth, is
21 hereby granted and shall have and may exercise all powers
22 necessary or appropriate to carry out and effectuate the
23 purposes of this act, including the following powers, in
24 addition to others herein granted:

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

28 (2) To issue subpoenas requiring the attendance of witnesses
29 and the production of books and papers pertinent to any hearing
30 before such authority, or before one or more members of the

1 authority appointed by it to conduct such hearing.

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

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

10 (5) To make, upon proper application of solid waste -
11 resource recovery agencies, loans to such development agencies
12 of moneys held in the Solid Waste - Resource Recovery
13 Development Fund for development projects and to provide for the
14 repayment and redeposit of such allocations and loans in the
15 manner hereinafter provided.

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

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

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

20 (9) To make bylaws for the management and regulation of its
21 affairs.

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

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

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

1 (13) To take title by foreclosure to any development project
2 where such acquisition is necessary to protect any loan
3 previously made therefor by the authority and to pay all costs
4 arising out of such foreclosure and acquisition from moneys held
5 in the fund and to sell, transfer and convey any such
6 development project to any responsible buyer; in the event such
7 sale, transfer and conveyance cannot be effected with reasonable
8 promptness, the authority may, in order to minimize financial
9 losses and sustain employment, lease such development project to
10 a responsible tenant or tenants; the authority shall not lease
11 development projects except under the conditions and for the
12 purposes cited in this section.

13 (14) To purchase first mortgages and to make payments on
14 first mortgages on any development project where such purchase
15 or payment is necessary to protect any loan previously made
16 therefor by the authority, and to sell, transfer, convey and
17 assign any such first mortgage. Moneys so used by the authority
18 in the purchase of any first mortgages, or any payments thereon,
19 shall be withdrawn from the fund, and any moneys derived from
20 the sale of any first mortgages shall be deposited by the
21 authority in the fund.

22 (b) The authority shall have no power at any time to borrow
23 money or in any manner to pledge the credit or taxing power of
24 the Commonwealth or any of its municipalities or political
25 subdivisions, nor shall any of its obligations be deemed to be
26 obligations of the Commonwealth or any of its political
27 subdivisions.

28 Section 6. Powers of the Authority; Loans to Development
29 Agencies.--When it has been determined by the authority upon
30 application of a Solid Waste or Resource Recovery Development

1 Agency and hearing thereon in the manner hereinafter provided,
2 that the establishment of a particular development project of
3 such development agency has accomplished or will accomplish the
4 public purposes of this act, the authority may contract to loan
5 such development agency an amount not in excess of the
6 percentage of the cost of such development project, as
7 established or to be established as hereinafter set forth:

8 If the development project is exclusively a solid waste
9 disposal system, the authority may contract to loan the
10 development agency forty per cent of the cost of such system if
11 it has determined that the agency holds funds or property in the
12 amount or value of five per cent or more of the cost of the
13 development project, which funds or property shall be applied to
14 the establishment of such project.

15 If the development project includes a resource recovery
16 system, the authority may contract to loan the development
17 agency fifty per cent of the cost of such system if it has
18 determined that the agency holds funds or property in the amount
19 or value of five per cent or more of the cost of the development
20 project, which funds or property shall be applied to the
21 establishment of such project.

22 Any such loan of the authority shall be for such period of
23 time and shall bear interest at such rate as shall be determined
24 by the authority and shall be secured by bond or note of the
25 development agency and by mortgage on the development project
26 for which such loan was made, such mortgage to be second and
27 subordinate only to the mortgage securing the first lien
28 obligation issued to secure the commitment of funds from the
29 aforesaid independent and responsible sources and used in the
30 financing of the development project.

1 Moneys so loaned by the authority to development agencies
2 shall be withdrawn from the Solid Waste - Resource Recovery
3 Development Fund and paid over to the development agency in such
4 manner as shall be provided and prescribed by the rules and
5 regulations of the authority.

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

8 Loans by the authority to a development agency for a
9 development project shall be made only in the manner and to the
10 extent as in this section 6 provided, except, however, in those
11 instances wherein an agency of the Federal Government
12 participates in the financing of a development project by loan,
13 grant or otherwise of Federal funds. When any Federal agency
14 does so participate the authority may adjust the required ratios
15 of financial participation by the development agency, the source
16 of independent funds and the authority in such manner as to
17 insure the maximum benefit available to the development agency,
18 the authority, or both, by the participation of the Federal
19 agency.

20 Where any Federal agency participating in the financing of a
21 development project is not permitted to take as security for
22 such participation a mortgage the lien of which is junior to the
23 mortgage of the authority, the authority shall in such instances
24 be authorized to take as security for its loan to the
25 development agency a mortgage junior in lien to that of the
26 Federal agency.

27 Section 7. Loan Application Requirements.--Prior to the
28 loaning of any funds to an development agency for a development
29 project, the authority shall receive from such development
30 agency a loan application in form adopted by the authority,

1 which shall contain, such information as the authority may
2 require by rule or regulation.

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

7 There is hereby created a special account in the Treasury of
8 the Commonwealth to be known as the Solid Waste - Resource
9 Recovery Development Fund to which shall be accredited the above
10 provided appropriation and any subsequent appropriations made by
11 the Legislature to the authority, as well as such other deposits
12 as in this section provided.

13 As often as may be necessary, the authority shall requisition
14 from the fund such amounts as may be necessary to provide
15 adequate funds for the payment of the administration of the
16 purpose of this act.

17 The authority shall also requisition, from time to time, from
18 the fund such amounts as shall be allocated and appropriated by
19 the authority for loans to development agencies for development
20 projects. When and as the amounts so allocated and appropriated
21 by the authority as loans to development agencies are repaid to
22 the authority pursuant to the terms of the mortgages and other
23 agreements made and entered into by the authority, the authority
24 shall pay such amounts into the fund, it being the intent of
25 this act that the fund shall operate as a revolving fund whereby
26 all appropriations and payments made thereto may be applied and
27 reapplied to the purposes of this act.

28 At any time that the authority shall determine that funds
29 held for the credit of the fund are in excess of the amount
30 needed by the authority to carry out the purposes of this act,

1 the authority shall take such action as shall be required to
2 release such excess from the fund and transfer the same to the
3 General Fund of the State Treasury.

4 Section 9. Governing Body.--The powers of the authority
5 shall be exercised by a governing body consisting of the members
6 of the authority acting as a board. Within ninety days after
7 this act shall become effective, the board shall meet and
8 organize. The Secretary of Environmental Resources and his
9 successor in office shall be the chairman and chief executive
10 officer and the board shall elect a secretary and treasurer from
11 their number. At the first meeting in each year thereafter, They
12 shall elect from their number a secretary and treasurer.

13 A majority of the members shall constitute a quorum of the
14 board for the purpose of organizing the authority and conducting
15 the business thereof, and, except in the instance of loan
16 applications, all action may be taken by a vote of a majority of
17 the members present, unless in any case the by-laws shall
18 require a larger number; approval or rejection of loan
19 applications shall be by a majority vote of the full membership
20 of the board: Provided, however That no loan may be granted for
21 a project that does not conform to the requirements of the Solid
22 Waste Management Act.

23 The board shall have full authority to manage the properties
24 and business of the authority, and to prescribe, amend and
25 repeal by-laws, rules and regulations governing the manner in
26 which the business of the authority may be conducted, and the
27 powers granted to it may be exercised and embodied.

28 The Department of Environmental Resources shall provide staff
29 services to the authority for its administration of the act,
30 including liaison between the authority and development agencies

1 and related organizations, and between the authority and other
2 agencies of the Commonwealth whose facilities and services may
3 be useful to the authority in its work.

4 The authority is authorized to make reimbursement to any
5 agency of the Commonwealth for such special expenses as may be
6 incurred in the provision of any services or the use of any
7 facilities required by the authority.

8 In addition, the authority may employ an executive director,
9 appoint, subject to the Administrative Code, its own counsel and
10 legal staff, and, as required for special studies and surveys,
11 retain such temporary engineering, finance and other consultants
12 and technicians as it may require.

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

30 Section 11. Interest in Contracts or Agreements.--No member

1 of the authority or officer or employe thereof shall either
2 directly or indirectly be a party to or be in any manner
3 interested in any contract or agreement with the authority for
4 any matter, cause or thing whatsoever by reason whereof any
5 liability or indebtedness shall in any way be created against
6 such authority. If any contract or agreement shall be made in
7 violation of the provisions of this section the same shall be
8 null and void and no action shall be maintained thereon against
9 such authority.

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

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

28 Section 14. This act shall take effect July 1, 1974.