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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 781**      Session of  
2003

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INTRODUCED BY SEMMEL, MCGEEHAN, TIGUE, SATHER, YOUNGBLOOD,  
ALLEN, BAKER, BARD, BARRAR, BROWNE, CAWLEY, CIVERA, CORRIGAN,  
CRUZ, DALLY, DEWEESE, FEESE, FREEMAN, GEIST, GORDNER, HARHAI,  
HARPER, HARRIS, HENNESSEY, HERMAN, HORSEY, LEDERER, MANN,  
S. MILLER, REICHLLEY, RUBLEY, SAINATO, SAYLOR, SOLOBAY,  
WASHINGTON AND YUDICHAK, MARCH 10, 2003

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REFERRED TO COMMITTEE ON LABOR RELATIONS, MARCH 10, 2003

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AN ACT

1 Providing for a loan program to assist colleges to install  
2 automatic fire suppression systems in student residences.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Student  
7 Residence Automatic Fire Suppression System Installation Loan  
8 Program.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Automatic fire suppression system." An engineered system  
14 using carbon dioxide, foam, wet or dry chemical, a halogenated  
15 extinguishing agent, a clean extinguishing agent or an automatic  
16 sprinkler system to detect and suppress a fire through fixed

1 piping and nozzles.

2 "College." A nonprofit educational institution situated  
3 within this Commonwealth which is empowered to provide a program  
4 of education beyond the high school level, which by virtue of  
5 governing law and regulation is recognized by the State Board of  
6 Education and which places no restrictions upon the admission of  
7 students based upon race, creed or color.

8 "Department." The Department of Labor and Industry of the  
9 Commonwealth.

10 "Student residence." A building not owned by a college which  
11 is utilized as a residence by five or more students who attend  
12 college, which is not required by State law to have an automatic  
13 fire suppression system installed.

14 Section 3. Automatic fire suppression system loan program.

15 (a) Program.--The department shall establish and administer  
16 a loan program utilizing moneys from the Sprinkler Loan Fund for  
17 the purpose of providing low-interest loans to owners of student  
18 residences to install automatic fire suppression systems. Loans  
19 under this program shall only be utilized to fund the  
20 installation of automatic fire suppression systems in  
21 preexisting buildings.

22 (b) Terms and conditions.--

23 (1) The loan shall be subject to an interest rate of 2%  
24 per annum.

25 (2) The loan shall be repaid within 15 years of the date  
26 of the loan.

27 (3) Any other terms and conditions as promulgated by the  
28 department.

29 (c) Application.--The department shall develop an  
30 application for loans from the fund. No loan shall be approved

1 by the department unless the applicant seeking the loan has  
2 completed the terms and conditions required by the department.

3 Section 4. Sprinkler Loan Fund.

4 (a) Establishment.--The Sprinkler Loan Fund is established  
5 as a separate fund in the State Treasury.

6 (b) Sources.--The following are sources of revenue for this  
7 fund:

8 (1) Appropriations from the General Assembly.

9 (2) Revenues generated from the tax imposed under  
10 section 5.

11 (c) Purpose.--The following are the purposes of the fund:

12 (1) To fund the automatic fire suppression loan program  
13 under section 3.

14 (2) To fund the department's administrative cost to  
15 implement this act.

16 (d) Continuing appropriation.--The money in the fund is  
17 continuously appropriated to the fund. This appropriation shall  
18 not lapse at the end of any fiscal year.

19 (e) Administration.--The department shall administer the  
20 fund. The department shall manage the moneys in the fund in a  
21 manner that ensures that approval for loans under section 3  
22 gives priority to applicants who are owners of student  
23 residences in municipalities which have enacted ordinances  
24 requiring installation of automatic fire suppression  
25 installation stricter than what is required under the act of  
26 November 10, 1999 (P.L.491, No.45), known as the Pennsylvania  
27 Construction Code Act.

28 Section 5. Additional cigarette tax imposed.

29 (a) Construction.--The tax imposed by this section shall be  
30 in addition to any tax imposed by the Commonwealth pursuant to

1 Article XII of the act of March 4, 1971 (P.L.6, No.2), known as  
2 the Tax Reform Code of 1971. The provisions of Article XII of  
3 the Tax Reform Code of 1971 shall apply to the tax imposed by  
4 this act.

5 (b) Cigarette tax.--There is hereby imposed and assessed an  
6 excise tax upon the sale or possession of cigarettes as the  
7 terms are defined in Article XII of the Tax Reform Code of 1971.  
8 The tax shall be collected and shall be paid over to the  
9 Commonwealth as provided in Article XII of the Tax Reform Code  
10 of 1971.

11 (c) Rate.--The tax imposed by subsection (b) shall be at the  
12 rate of one-twentieth of a cent per cigarette.

13 (d) Deposit of tax proceeds.--The department shall deposit  
14 taxes collected under this section in the Sprinkler Loan Fund  
15 pursuant to section 4.

16 (e) Rules and regulations.--The rules and regulations  
17 promulgated under Article XII of the Tax Reform Code of 1971,  
18 shall be applicable to the tax imposed by this section.

19 Section 6. Effective date.

20 This act shall take effect as follows:

21 (1) Section 3 shall take effect January 1, 2004.

22 (2) The remainder of this act shall take effect  
23 immediately.