
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1712 Session of
2015

INTRODUCED BY R. BROWN, BOBACK, D. COSTA, HEFFLEY, MAJOR,
MILLARD, D. PARKER, PICKETT, TALLMAN, WATSON, GILLEN,
CARROLL, DUSH AND ZIMMERMAN, NOVEMBER 30, 2015

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
NOVEMBER 30, 2015

AN ACT

1 Establishing the Private Dam Financial Assurance Program and the
2 Private Dam Financial Assurance Fund.

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 Private Dam
7 Financial Assurance Program Act.

8 Section 2. Definitions.

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

12 "Community association." Any person or incorporated
13 community under 68 Pa.C.S. Subparts B (relating to
14 condominiums), C (relating to cooperatives) and D (relating to
15 planned communities).

16 "Department." The Department of Community and Economic
17 Development of the Commonwealth.

1 "Eligible cost." Any cost to be incurred by an owner
2 enrolled in the program for maintenance of and repairs to the
3 owner's dam. The term includes engineering fees, demolition,
4 excavation, reclamation and related costs.

5 "Fund." The Private Dam Financial Assurance Fund established
6 under section 6.

7 "Owner." A person or community association that owns a
8 regulated dam in this Commonwealth. The term does not include an
9 owner of a commercial hydroelectric power generation facility.

10 "Person." Includes a natural person, partnership,
11 association or corporation.

12 "Program." The Private Dam Financial Assurance Program
13 established under section 3.

14 Section 3. Private Dam Financial Assurance Program.

15 (a) Establishment.--The department, in consultation with the
16 Department of Environmental Protection, is authorized to
17 establish the Private Dam Financial Assurance Program to provide
18 financial assurance for owners to assist in meeting any
19 financial obligations under the act of November 26, 1978
20 (P.L.1375, No.325), known as the Dam Safety and Encroachments
21 Act, and any regulations promulgated under that act.

22 (b) Financial responsibility.--An owner that is enrolled in
23 the program is deemed to have met all financial obligations for
24 the owner's dam under the Dam Safety and Encroachments Act and
25 any regulations promulgated under that act.

26 (c) Eligibility.--Financial assurance through the program
27 shall be made available to owners. To participate in the
28 program, an owner must:

29 (1) Be in compliance with the Operation and Maintenance
30 Manual of the Department of Environmental Protection.

1 (2) Pay a one-time registration fee of \$1,000 per dam.

2 (3) Have a current approved emergency action plan
3 required by the Army Corps of Engineers and administered by
4 the Department of Environmental Protection, in conjunction
5 with the Pennsylvania Emergency Management Agency.

6 (4) Pay an annual fee equal to 1% of the bond amount
7 required by the Department of Environmental Protection under
8 the Dam Safety and Encroachments Act and any regulations
9 promulgated under that act.

10 (d) Application.--Owners seeking assurance under this act
11 shall submit an application on forms provided by the department.
12 Section 4. Revolving loan program.

13 (a) Establishment.--The department, in consultation with the
14 Department of Environmental Protection, is authorized to
15 establish a revolving loan program for owners enrolled in the
16 program to provide assistance for eligible costs for repairs and
17 maintenance to dams.

18 (b) Loan criteria.--The department shall establish criteria
19 to award loans under the revolving loan program. Participation
20 in the program shall be considered collateral for any loans
21 awarded under this section.

22 (c) Loan amounts.--No loan amount shall exceed 50% of the
23 eligible costs, and no loan shall exceed \$500,000.

24 (d) Application.--Owners seeking program loans must submit
25 an application to the department. The application shall be on a
26 form provided by the department and shall include all of the
27 following:

28 (1) The name of the applicant.

29 (2) A brief description of the project to be funded.

30 (3) A demonstrated estimate of the eligible costs of the

1 project.

2 (4) Any other information as the department may require.

3 (e) Repayment.--Loans shall have a repayment period of up to
4 10 years.

5 (f) Interest.--Interest rates shall be fixed at the time the
6 loan is made and shall be equal to the Five-Year United States
7 Treasury Note on the date the application is made.

8 (g) Fee.--The department may charge a loan origination fee
9 not to exceed 2.5% of the approved loan amount.

10 (h) Penalties.--The department shall establish penalties for
11 loan recipients who fail to meet their repayment obligations
12 under the loan terms.

13 Section 5. Annual report.

14 The department shall prepare an annual report for the General
15 Assembly concerning activities and expenditures made under this
16 act for the preceding year. The report shall include information
17 concerning all loans made to owners and loan applications
18 denied.

19 Section 6. Private Dam Financial Assurance Fund.

20 (a) Establishment of fund.--The Private Dam Financial
21 Assurance Fund is established in the State Treasury. All
22 payments and fees collected by the department under this act
23 shall be paid into the fund. Money deposited into the fund and
24 any interest it accrues are appropriated to the department for
25 use in accordance with this act.

26 (b) Supplements to fund.--The fund may be supplemented by
27 appropriations from Federal, State or local government or from
28 any private source.

29 Section 7. Effective date.

30 This act shall take effect immediately.