
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2425 Session of
2024

INTRODUCED BY DONAHUE, KAUFER, McNEILL, SCHLOSSBERG, SIEGEL,
T. DAVIS, PROKOPIAK, HADDOCK, HILL-EVANS, BOYD, SANCHEZ,
CERRATO, VENKAT AND CIRESI, JUNE 18, 2024

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 18, 2024

AN ACT

1 Providing for the funding of the development of comprehensive
2 regional plans, competitive sites for businesses to locate or
3 expand within this Commonwealth and competitive industrial
4 and nonindustrial sites by assisting in the reduction of
5 development risk; establishing the Pennsylvania Strategic
6 Investments to Enhance Sites (PA SITES) Program, the PA SITES
7 Fund and the PA SITES Debt Service Restricted Account; and
8 conferring powers and duties on the Department of Community
9 and Economic Development Pennsylvania Economic Development
10 Financing Authority.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Short title.

14 This act shall be known and may be cited as the Pennsylvania
15 Strategic Investments to Enhance Sites (PA SITES) Program Act.

16 Section 2. Definitions.

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

20 "Authority." The Pennsylvania Economic Development Financing
21 Authority.

1 "Bond." A type of revenue obligation, including a bond or
2 series of bonds, note, certificate or other instrument, issued
3 by the authority for the benefit of the department under this
4 act.

5 "Bond administrative expenses." Expenses incurred to
6 administer bonds issued by the authority under this act as
7 provided under the Financing Law or as otherwise necessary to
8 ensure compliance with Federal or State law.

9 "Bond obligations." The principal of a bond and any premium
10 and interest payable on a bond issued by the authority under
11 this act, together with any amount owed under a related credit
12 agreement or a related resolution of the authority authorizing a
13 bond, including refunding bonds.

14 "Credit agreement." A loan agreement, a revolving credit
15 agreement, an agreement establishing a line of credit, a letter
16 of credit or another agreement that enhances the marketability,
17 security or creditworthiness of a bond.

18 "Department." The Department of Community and Economic
19 Development of the Commonwealth.

20 "Economic development organization." A nonprofit
21 organization whose mission is to advance the economic
22 development needs of a locality or region.

23 "Eligible applicant." One of the following entities located
24 within this Commonwealth:

- 25 (1) a municipality;
- 26 (2) an economic development organization;
- 27 (3) a redevelopment authority;
- 28 (4) a municipal authority;
- 29 (5) an industrial development agency; or
- 30 (6) a for-profit organization.

1 "Eligible projects." Any of the following:

2 (1) The development of a comprehensive real estate plan.

3 (2) The development of competitive industrial sites that
4 provide for the relocation or expansion of businesses to or
5 within this Commonwealth.

6 (3) The development of nonindustrial sites or any other
7 project the department deems eligible.

8 "Financing Law." The act of August 23, 1967 (P.L.251,
9 No.102), known as the Economic Development Financing Law.

10 "Fund." The PA SITES Fund established under section 6.

11 "Industrial development agency." As defined under section 3
12 of the act of May 17, 1956 (1955 P.L.1609, No.537), known as the
13 Pennsylvania Industrial Development Authority Act.

14 "Municipal authority." A body corporate and politic created
15 under 53 Pa.C.S. Ch. 56 (relating to municipal authorities); the
16 former act of June 28, 1935 (P.L.463, No.191), known as the
17 Municipality Authorities Act of one thousand nine hundred and
18 thirty-five; or the former act of May 2, 1945 (P.L.382, No.164),
19 known as the Municipality Authorities Act of 1945.

20 "Municipality." A county, city, borough, incorporated town,
21 township or home rule municipality.

22 "Office." The Office of the Budget of the Commonwealth.

23 "Program." The Pennsylvania Strategic Investments To Enhance
24 Sites Program or PA SITES Program established under section 8.

25 "Redevelopment authority." A public body and a body
26 corporate and politic created and organized under the act of May
27 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment
28 Law.

29 Section 3. Bond issuance.

30 (a) Declaration of policy.--The General Assembly finds and

1 declares that funding the development of comprehensive regional
2 plans, competitive sites for businesses to locate or expand
3 within this Commonwealth and competitive industrial and
4 nonindustrial sites by assisting in reduction of development
5 risk, including interest, through the authority, is in the best
6 interest of this Commonwealth.

7 (b) Authority.--Notwithstanding any other law, the following
8 shall apply:

9 (1) The department, with the prior approval of the
10 office, may be a project applicant under the Financing Law
11 and may apply to the authority for money from the program.

12 (2) The authority may issue bonds under the Financing
13 Law, consistent with this act, to finance the program which
14 will provide funds for regional planning efforts as well as
15 the redevelopment, reuse or revitalization of a previously
16 utilized site for future use by businesses or others or the
17 development of an undeveloped site in this Commonwealth.

18 (c) Debt or liability.--

19 (1) Bonds issued under this act shall not be a debt or
20 liability of the Commonwealth and shall not create or
21 constitute any indebtedness, liability or obligation of the
22 Commonwealth.

23 (2) Bond obligations and bond administrative expenses
24 shall be payable solely from money pledged or available for
25 repayment as authorized under this act. This paragraph shall
26 include the proceeds of the issuance of bonds.

27 (3) Each bond shall contain on its face a statement
28 that:

29 (i) the authority is obligated to pay the principal
30 or interest on the bonds only from the money pledged or

1 available for repayment as authorized under this act;

2 (ii) neither the Commonwealth nor any political
3 subdivision is obligated to pay the principal or
4 interest; and

5 (iii) neither the full faith and credit of the
6 Commonwealth or any political subdivision is pledged to
7 the payment of the principal or interest on the bonds.

8 Section 4. Criteria for bond issuance.

9 (a) Issuance.--Bonds may be issued in one or more series,
10 and each series may finance loans and reimbursement grants.

11 (b) Terms.--

12 (1) The department, with the approval of the office,
13 shall specify in the department's application to the
14 authority:

15 (i) the maximum principal amount of the bonds for
16 each bond issue; and

17 (ii) the maximum term of the bonds consistent with
18 applicable laws.

19 (2) The total aggregate principal amount for all bonds
20 issued under this act may not exceed \$500,000,000.

21 (3) The term of the bonds issued under this act may not
22 exceed 30 years from the respective date of original
23 issuance, excluding refunding bonds.

24 Section 5. Issuance of bonds, pledge, service agreement and
25 security.

26 (a) Issuance.--The authority shall issue bonds upon approval
27 of an application by the department. Bonds issued under this act
28 shall be subject to the provisions of the Financing Law, unless
29 otherwise specified in this act.

30 (b) Revenues pledged.--The Commonwealth pledges and

1 appropriates on a continuing basis the general revenues
2 collected under Article II of the act of March 4, 1971 (P.L.6,
3 No.2), known as the Tax Reform Code of 1971, for payment of bond
4 obligations and bond administrative expenses for bonds or
5 refunding bonds issued under this act.

6 (c) Service agreement authorized.--

7 (1) The authority and the department may enter into an
8 agreement or service agreement to effectuate this act, under
9 which the department shall agree to pay the bond obligations
10 and bond administrative expenses to the authority in each
11 fiscal year that the bonds or refunding bonds are outstanding
12 in amounts sufficient to timely pay in full the bond
13 obligations, bond administrative expenses and any other
14 financing costs due on the bonds issued for the purposes
15 specified in this act.

16 (2) The department's payment of bond obligations, bond
17 administrative expenses and other financing costs due on the
18 bonds as service charges under an agreement or service
19 agreement shall be subject to and dependent upon the
20 appropriation of funds by the General Assembly to the
21 department for payment of the service charges. The service
22 agreement may be amended or supplemented by the authority and
23 the department in connection with the issuance of a series of
24 bonds or refunding bonds authorized under this section.

25 (d) Security.--Bond obligations and bond administrative
26 expenses may be secured for the benefit of the holders of the
27 bonds and the obligees under credit agreements or the agreements
28 under subsection (c), by pledge of a security interest in the
29 following:

30 (1) Money relating to the bonds held on deposit in any

1 other fund or account under an instrument or agreement
2 pertaining to the bonds, including bond reserves and interest
3 income on the money.

4 (2) The security provided under this subsection shall
5 not apply to money in any fund relating to arbitrage rebate
6 obligations.

7 Section 6. Establishment of fund, sale of bonds and deposit.

8 (a) Establishment of fund.--The PA SITES Fund is established
9 in the State Treasury as a restricted account.

10 (b) Sale of bonds.--The authority shall offer the bonds or
11 each series of bonds, including refunding bonds, for sale by a
12 public, competitive sale or a negotiated sale based on the
13 authority's determination of which method will produce the most
14 benefit to the Commonwealth.

15 (c) Deposit of bond proceeds.--The net proceeds of the bonds
16 or each series of bonds, other than refunding bonds, exclusive
17 of costs of issuance, reserves and any other financing charges,
18 shall be deposited into the fund.

19 (d) Deposit of repayments and other money.--Money received
20 from the recapture of grants or as loan repayments received
21 under the program or money otherwise made available to the
22 program shall be deposited into the fund and made available for
23 additional grants and loans under section 8.

24 Section 7. Use of bond proceeds.

25 (a) Order.--Upon issuance of bonds, the proceeds shall be
26 applied in the following order:

27 (1) pay the costs of issuance of the bonds, including
28 any refunding bonds;

29 (2) fund bond reserves;

30 (3) refund outstanding bonds, if applicable;

1 (4) make any other deposit required under any instrument
2 or agreement pertaining to the bonds; and

3 (5) deposit the balance into the fund.

4 (b) Application of balance.--The bond proceeds deposited
5 under subsection (a) (5) are appropriated to and shall be
6 expended by the department as follows:

7 (1) For the department to make program grants and loans
8 to approved eligible applicants under section 8.

9 (2) For the expenses of the department in the
10 administration of the program, not to exceed 0.02% of the
11 bond proceeds in the aggregate over the life of the program.

12 Section 8. PA SITES Program.

13 (a) Establishment, administration and purpose.--

14 (1) The Pennsylvania Strategic Investments To Enhance
15 Sites Program or PA SITES Program is established in the
16 department.

17 (2) The department shall administer the program to
18 provide grants and loans to approved eligible applicants for
19 eligible projects.

20 (b) Eligible projects.--The department may award a grant or
21 loan to an approved eligible applicant for the following costs
22 of an eligible project:

23 (1) Acquisition of land and buildings, rights of way and
24 easements.

25 (2) The construction or rehabilitation of one or more of
26 the following:

27 (i) Storm water drainage systems.

28 (ii) Energy infrastructure that supports the
29 generation and distribution of power and any end uses
30 necessitated by the site, including, but not limited to,

1 heating, cooling or energy used as an input for
2 manufacturing.

3 (iii) Sanitary sewer systems, including, but not
4 limited to, the construction or repair of sewage
5 collection lines and sewage treatment facilities,
6 including proration of costs for needed off-site
7 facilities.

8 (iv) Water supply facilities, including, but not
9 limited to, construction or repair of ground water
10 sources, water lines and water storage and treatment
11 facilities, including proration of costs for needed off-
12 site facilities.

13 (v) Transportation facilities directly affecting the
14 site of the proposed development, including:

15 (A) on-site and off-site road improvements;

16 (B) traffic signals;

17 (C) parking facilities;

18 (D) sidewalks;

19 (E) bridges;

20 (F) rails, including, but not limited to, the
21 construction or rehabilitation of spurs, signals,
22 crossings and intermodal facilities; and

23 (G) port-related facilities, including, but not
24 limited to, dredging, docking facilities, bulkheads
25 and intermodal facilities.

26 (vi) Facilities for the transmission of information,
27 including, but not limited to, telephone lines, fiber-
28 optic telecommunications lines and towers for wireless
29 communications.

30 (vii) On-site amenities, such as recreational areas,

1 which are reasonably expected to increase the value or
2 attractiveness of the site.

3 (3) Demolition of existing structures at the site and
4 removal of abandoned foundations at the site.

5 (4) The department may provide grant or loan money for
6 the rehabilitation of existing on-site buildings if the
7 eligible applicant can demonstrate that the potential for
8 site reuse will be greater with the existing structure or
9 structures.

10 (5) The clearing and preparation of land for
11 construction.

12 (6) Environmental site assessment and remediation.

13 (7) Related engineering, design and inspection costs.

14 (8) Signage, landscaping and street lighting.

15 (9) Administrative costs, permit fees, legal costs and
16 expenses for other professional services.

17 (10) Costs associated with the development of a
18 comprehensive real estate plan.

19 (11) Other costs associated with the proposed eligible
20 project as determined by the department.

21 (c) Department responsibilities.--The department shall:

22 (1) Develop written guidelines for the administration of
23 the program to be published on the department's publicly
24 accessible Internet website.

25 (2) Develop a certification program which verifies the
26 site readiness of marketed sites across this Commonwealth.

27 (3) Develop a written competitive application and
28 application process for the program. The grant and loan
29 processes and application shall be available on the
30 department's publicly accessible Internet website.

1 (4) Develop a grant agreement for the program that
2 includes provisions requiring an eligible applicant to return
3 any unused or improperly used grant money to the
4 Commonwealth.

5 (5) Develop loan documentation for the program
6 consistent with this act.

7 (d) Evaluation criteria.--The department shall evaluate
8 program applications on the following criteria:

9 (1) The eligible applicant's need for program funding
10 for the eligible project.

11 (2) The feasibility of the proposed project, including
12 whether the eligible applicant can complete the project with
13 the available funding, including the proposed non-State
14 source matching funds and the program grant or loan.

15 (3) The marketability of the site once the site has been
16 fully developed.

17 (4) The need for developed business-ready sites in the
18 community or surrounding area.

19 (5) The relative impact the project will have on the
20 community, region and this Commonwealth.

21 (6) The increased employment opportunities resulting
22 from the project in the community or the surrounding area.

23 (7) The amount and sources of non-State source matching
24 money proposed to be invested in the project by the eligible
25 applicant.

26 (8) The eligible applicant's demonstration of site
27 control.

28 (9) The proposed time frame for commencement and
29 completion of the project.

30 (10) Identification of the project as a priority

1 investment in a local or regional economic development plan.

2 (11) Whether the eligible project is part of a
3 comprehensive municipal plan or county plan and is zoned for
4 development at the time of application.

5 (12) Other criteria specified by the department in the
6 program application that the department deems necessary to
7 conduct a full evaluation of program applications.

8 Section 9. Payment of bond obligations and bond administrative
9 expenses.

10 (a) PA SITES Debt Service Restricted Account.--The PA SITES
11 Debt Service Restricted Account is established in the General
12 Fund for the purpose of paying bond obligations due on bonds
13 issued by the authority under this act and related bond
14 administrative expenses due each fiscal year, including
15 refunding bonds. Money deposited into the restricted account is
16 appropriated to the department for the payment of bond
17 obligations due on the bonds issued under this act, including
18 refunding bonds, and bond administrative expenses of the
19 department or the authority in connection with the bonds.

20 (b) Transmission of amount to General Assembly.--

21 (1) At the same time that the Governor submits the
22 annual State budget and program and financing plan to the
23 General Assembly under section 613 of the act of April 9,
24 1929 (P.L.177, No.175), known as The Administrative Code of
25 1929, the Governor shall inform the General Assembly of the
26 amount of general revenues of the Commonwealth collected
27 under Article II of the act of March 4, 1971 (P.L.6, No.2),
28 known as the Tax Reform Code of 1971, that must be
29 transferred to the PA SITES Debt Service Restricted Account
30 in the next ensuing fiscal year for the full payment of bond

1 obligations and bond administrative expenses due during that
2 fiscal year.

3 (2) The pledge of Commonwealth money is subordinate to
4 any pledge of money collected under Article II of the Tax
5 Reform Code of 1971 before the effective date of this section
6 for the outstanding indebtedness of other bonds issued by the
7 Commonwealth or one of its authorities or instrumentalities.

8 (c) Annual transfer.--By September 30 of the first fiscal
9 year in which bond obligations and bond administrative expenses
10 are due and by each September 30 thereafter for the term of the
11 bonds, including refunding bonds, the State Treasurer shall
12 transfer to the PA SITES Debt Service Restricted Account from
13 the general revenues of the Commonwealth collected under Article
14 II of the Tax Reform Code of 1971 the amount reported by the
15 Governor to the General Assembly under subsection (b). The State
16 Treasurer and the Secretary of the Budget shall consider General
17 Fund cash flow in determining when to make the transfer.

18 Section 10. Commonwealth not to impair bond-related
19 obligations.

20 The Commonwealth shall not do any of the following while each
21 bond or series of bonds, together with interest on the bonds,
22 are outstanding and have not been fully met and discharged:

23 (1) Limit or alter the rights and responsibilities of
24 the authority or the department under this act, including the
25 responsibility to:

26 (i) pay bond obligations and bond administrative
27 expenses; and

28 (ii) comply with any other instrument or agreement
29 pertaining to bonds.

30 (2) Alter or limit the service agreement or security

1 interest.

2 (3) Impair the rights and remedies of the holders of
3 bonds.

4 Section 11. No personal liability.

5 The members, directors, officers and employees of the
6 department, the office and the authority shall not be personally
7 liable as a result of good faith exercise of the rights and
8 responsibilities granted under this act.

9 Section 12. Annual report.

10 No later than March 1 of the year following the first full
11 year in which bonds have been issued under this act and for each
12 year thereafter in which bond obligations existed in the prior
13 year, the department shall submit an annual report to the chair
14 and minority chair of the Appropriations Committee of the
15 Senate, the chair and minority chair of the State Government
16 Committee of the Senate, the chair and minority chair of the
17 Appropriations Committee of the House of Representatives and the
18 chair and minority chair of the State Government Committee of
19 the House of Representatives providing all data available on
20 bonds issued or existing in the prior year. The report shall
21 include existing and anticipated bond principal, interest and
22 administrative costs, revenue, repayments, refinancing, overall
23 benefits to counties and any other relevant data, facts and
24 statistics that the department believes necessary in the content
25 of the report.

26 Section 13. Expiration.

27 The authorization to issue bonds, other than refunding bonds,
28 under this act shall expire two years from the effective date of
29 this section.

30 Section 14. Effective date.

1 This act shall take effect in 60 days.