
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1629 Session of
2021

INTRODUCED BY E. NELSON, NEILSON, STAMBAUGH, SCHLEGEL CULVER,
ROTHMAN, JAMES, DELLOSO, DAVANZO, BERNSTINE, ZIMMERMAN, RAPP,
McNEILL, BURGOS, DRISCOLL, ROWE, FRITZ, STRUZZI, OWLETT AND
MARSHALL, JUNE 14, 2021

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 14, 2021

AN ACT

1 Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An
2 act providing for borrowing for capital facilities;
3 conferring powers and duties on various administrative
4 agencies and officers; making appropriations; and making
5 repeals," in capital facilities, further providing for
6 definitions and for appropriation for and limitation on
7 redevelopment assistance capital projects and providing for
8 administration of broadband capital projects and energy
9 infrastructure capital projects; and making a related repeal.

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

12 Section 1. The definitions of "applicant" and "capital
13 project" in section 302 of the act of February 9, 1999 (P.L.1,
14 No.1), known as the Capital Facilities Debt Enabling Act, are
15 amended and the section is amended by adding definitions to
16 read:

17 Section 302. Definitions.

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

1 * * *

2 "Applicant." A person that is seeking funding for a
3 redevelopment assistance capital project, a broadband capital
4 project or an energy infrastructure capital project that has
5 been listed in a capital project itemization bill and that is
6 one of the following:

7 (1) A redevelopment authority.

8 (2) An industrial development authority.

9 (3) A general purpose unit of local government.

10 (4) A local development district that has an agreement
11 with a general purpose unit of local government under which
12 the unit assumes ultimate responsibility for debt incurred to
13 obtain the non-State financial participation.

14 (5) A public authority established pursuant to the laws
15 of this Commonwealth.

16 (6) An industrial development agency:

17 (i) which has been certified as an industrial
18 development agency by the Pennsylvania Industrial
19 Development Authority Board under the act of May 17, 1956
20 (1955 P.L.1609, No.537), known as the Pennsylvania
21 Industrial Development Authority Act; and

22 (ii) which is itself or which is acting through a
23 wholly owned subsidiary that is exempt from Federal
24 taxation under section 501(c)(3) of the Internal Revenue
25 Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)).

26 "Authority." The Commonwealth Financing Authority.

27 "Broadband capital project." The design and construction of
28 a redevelopment capital assistance project for the installation
29 of signal transmission facilities and associated network
30 equipment proposed to be deployed in a project area used for the

1 provision of high-speed broadband service, including fiber optic
2 equipment, cables, cabinets, wires, junctions, hubs, nodes,
3 amplifiers, receivers, conduits or poles.

4 "Capital project." A flood control, highway, public
5 improvement, redevelopment assistance capital [or],
6 transportation assistance project, broadband capital project or
7 energy infrastructure capital project which is financed by debt
8 or by other funds and which meets all of the following:

9 (1) Is an undertaking to construct, repair, renovate,
10 improve, equip, furnish or acquire any:

11 (i) building, structure, facility, infrastructure or
12 physical public betterment or improvement;

13 (ii) land or rights in land; or

14 (iii) furnishings, machinery, apparatus or equipment
15 for a building, structure, facility or physical public
16 betterment or improvement.

17 (2) Is itemized in a capital project itemization bill as
18 a capital project.

19 (3) Has an estimated useful life in excess of five
20 years.

21 (4) Has an estimated financial cost in excess of
22 \$100,000. This paragraph does not apply to original equipment
23 or furnishings for previously authorized public improvement
24 projects.

25 * * *

26 "Energy infrastructure capital project." The design and
27 construction of a redevelopment capital assistance project for
28 the installation of one of the following:

29 (1) Compressed natural gas, liquid natural gas or
30 renewable natural gas infrastructure to incentivize the use

1 of motor vehicles using those sources as fuel.

2 (2) Improvements to coal and natural gas fired
3 generation units to comply with Federal or State pollution
4 control laws.

5 (3) Onsite cogeneration or combined heat and power
6 plants to provide electricity for manufacturing operations.

7 (4) Improvements to oil refineries to comply with
8 Federal or State pollution control laws.

9 (5) Conversion of coal-fired electricity generation
10 units to gas-fired electricity generation to comply with
11 Federal or State pollution control laws.

12 (6) Carbon capture or sequestration infrastructure,
13 including infrastructure for the production of blue hydrogen,
14 for use for the generation of electricity to comply with
15 Federal or State pollution control laws.

16 (7) The construction of an electric generation facility
17 that emits zero sulfur and reduces carbon emissions.

18 (8) Construction of above-ground storage facilities for
19 constituencies of wet gas to include ethane, pentane, butane
20 and propane and associated infrastructure to include
21 transmission pipeline development.

22 * * *

23 Section 2. Section 317(c) of the act is amended and the
24 section is amended by adding subsections to read:

25 Section 317. Appropriation for and limitation on redevelopment
26 assistance capital projects.

27 * * *

28 (b.1) Limitation.--The following limitations shall apply to
29 redevelopment assistance capital projects, broadband capital
30 projects and energy infrastructure capital projects:

1 (1) Subject to the adjustment under paragraph (2), the
2 maximum amount of redevelopment assistance capital projects,
3 broadband capital projects and energy infrastructure capital
4 projects undertaken by the Commonwealth for which obligations
5 are outstanding shall not exceed, in the aggregate,
6 \$3,350,000,000.

7 (2) Except as provided under paragraph (3), beginning
8 July 1, 2018, and each July 1 thereafter until the sum of the
9 outstanding obligations for redevelopment assistance capital
10 projects, broadband capital projects and energy
11 infrastructure capital projects undertaken by the
12 Commonwealth equals \$3,100,000,000, or July 1, 2022,
13 whichever occurs first, the sum of the maximum amount of
14 outstanding obligations for redevelopment assistance capital
15 projects, broadband capital projects and energy
16 infrastructure capital projects shall be decreased by
17 \$50,000,000.

18 (c) Housing units.--An amount not to exceed \$50,000,000 of
19 the amount under subsection [(b)] (b.1)(1) and (2) may be used
20 for the construction of housing units.

21 (d) Broadband capital projects and energy infrastructure
22 capital projects.--

23 (1) Beginning with the 2021-2022 fiscal year, an amount
24 not to exceed \$40,000,000 per fiscal year shall be available
25 for broadband capital projects and energy infrastructure
26 capital projects.

27 (2) This subsection shall expire on July 1, 2031.

28 Section 3. The act is amended by adding a section to read:
29 Section 319. Administration of broadband capital projects and
30 energy infrastructure capital projects.

1 (a) Limitation.--A broadband capital project or an energy
2 infrastructure capital project may not receive funds unless the
3 project was itemized in a capital project itemization bill or a
4 capital budget bill, enacted within ten years of the date the
5 project was approved under this section. For the purpose of this
6 section, a broadband capital project or an energy infrastructure
7 capital project which is itemized as a redevelopment assistance
8 capital project in a capital project itemization bill or a
9 capital budget bill enacted prior to the effective date of this
10 section shall be deemed to have met the requirements of this
11 subsection.

12 (b) Application.--An applicant shall submit an application
13 to the authority consistent with the timeline established by the
14 authority requesting a grant for a broadband capital project or
15 an energy infrastructure capital project. The proposal must be
16 on the form required by the authority and must include or
17 demonstrate all of the following:

18 (1) The applicant's name and address.

19 (2) The location of the project.

20 (3) An estimate of the cost of the project, prepared by a
21 qualified professional.

22 (4) A statement of the amount of the project grant
23 sought, including a statement as to the financial necessity
24 for the project grant.

25 (5) Any other information required by the authority.

26 (c) Review and approval.--The authority shall review the
27 application to determine if all the requirements have been met.
28 Upon being satisfied that all requirements have been met and
29 after allowing for a 30-day public comment period, the board of
30 the authority may approve the application, and, if approved, the

1 authority shall notify:

2 (1) The President pro tempore of the Senate.

3 (2) The Majority Leader of the Senate.

4 (3) The Minority Leader of the Senate.

5 (4) The Speaker of the House of Representatives.

6 (5) The Majority Leader of the House of Representatives.

7 (6) The Minority Leader of the House of Representatives.

8 (7) The chair and minority chair of the Appropriations
9 Committee of the Senate.

10 (8) The chair and minority chair of the Appropriations
11 Committee of the House of Representatives.

12 (9) The State senator and the State representative of the
13 district where the broadband capital project or energy
14 infrastructure capital project is located.

15 (10) The applicant.

16 (11) The office.

17 (d) Acceptance and grant agreement.--Within 30 days of
18 receiving notification of approval under subsection (c), an
19 applicant shall notify the office if the applicant accepts the
20 grant. If the applicant notifies the office that the applicant
21 intends to accept the grant, the office shall forward to the
22 applicant a grant agreement to be executed by the applicant. The
23 grant agreement and any attachments to the grant agreement shall
24 include the following:

25 (1) The name and address of who will administer the
26 grant.

27 (2) A statement and proof of local funding.

28 (3) An itemized statement of cost associated with the
29 project.

30 (4) A contract obligating the applicant to use the grant

1 for the project.

2 (5) A request for any other information the office may
3 require.

4 (e) Execution.--The applicant shall return the information
5 requested and the executed contract within the timelines
6 established by the office. If the applicant fails to return the
7 executed contract within the timelines established by the
8 office, no contract may be executed by the office for the grant.

9 (f) Time period.--State funding for broadband capital
10 projects and approved energy infrastructure capital projects
11 shall be paid over not less than a 36-month period unless the
12 board of the authority authorizes a shorter period.

13 (g) (Reserved).

14 (h) (Reserved).

15 (i) Verification.--Broadband capital project and energy
16 infrastructure capital project cost estimates must be verified
17 by the office or its designated agent before final approval is
18 given to a project application. Cost estimates include total
19 project cost, projected use for State and non-State funds and a
20 year-by-year schedule of costs for the entire project
21 construction phase.

22 (j) Bids.--Notwithstanding any other provision of law, the
23 solicitation of a minimum of three written bids for all
24 contracted construction work on broadband capital projects and
25 energy infrastructure capital projects shall be the sole
26 requirement for the composition, solicitation, opening and award
27 of bids on such projects. Notwithstanding the foregoing, the
28 construction work shall be performed subject to the act of March
29 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement
30 Act.

1 (k) Review and audit.--Broadband capital projects and energy
2 infrastructure capital projects shall be reviewed at regular
3 intervals by the office or its designated agent during the
4 funding phase to ensure financial and program compliance. A
5 final closeout audit shall be performed by the office or its
6 designated agent for all projects.

7 (l) Fee.--To pay for administrative expenses related to
8 broadband capital projects and energy infrastructure capital
9 projects funded by Commonwealth general obligation bonds, the
10 office may charge a fee against proceeds from bonds and notes
11 which were sold to finance construction or acquisition costs of
12 projects.

13 (m) Grant administration.--In the event any applicant does
14 not administer the grant, the applicant shall enter into a
15 cooperation agreement with the entity administering the grant,
16 which agreement shall be subject to the approval of the office.

17 (n) Guidelines.--Within 60 days of the effective date of
18 this subsection, the authority and the office shall establish
19 guidelines concerning the administration of and approval process
20 for broadband capital projects and energy infrastructure capital
21 projects. The guidelines shall, at a minimum, establish
22 application timelines, application content and the review,
23 evaluation and award criteria and process. The criteria shall
24 reflect population and geographic distinctions of various
25 communities throughout this Commonwealth. The guidelines must be
26 posted on the publicly accessible Internet website of the
27 authority and the publicly accessible Internet website of the
28 office. The guidelines under this subsection shall be
29 coordinated with the guidelines adopted by the authority under
30 section 7(d) of the act of November 25, 2020 (P.L.1253, No.132),

1 known as the Unserved High-Speed Broadband Funding Program Act.

2 (o) Disclosure.--Upon a broadband capital project or an
3 energy infrastructure capital project being approved under this
4 section, the office shall post on its publicly accessible
5 Internet website the date of approval of the project, the name
6 of the applicant, a short description of the project, the
7 location of the project, including the municipality in which the
8 project is located, and the amount of the project grant approved
9 for the project.

10 Section 4. Repeals are as follows:

11 (1) The General Assembly declares that the repeal under
12 paragraph (2) is necessary to effectuate the addition of
13 section 317(b.1) of the act.

14 (2) Section 2.1 of the act of May 29, 2020 (P.L.205,
15 No.25), known as the Capital Budget Act of 2019-2020.

16 Section 5. This act shall take effect immediately.