

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 673 Session of  
2013

---

INTRODUCED BY HUGHES, YUDICHAK, WASHINGTON, ERICKSON, SCHWANK,  
FONTANA, BREWSTER, KASUNIC, COSTA, FARNESE, SOLOBAY,  
TARTAGLIONE AND FERLO, APRIL 11, 2013

---

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
APRIL 11, 2013

---

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public  
2 Corporations) of the Pennsylvania Consolidated Statutes, in  
3 Commonwealth Financing Authority, further providing for  
4 indebtedness; and providing for the Flood Control and  
5 Prevention Program.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Section 1543(b) (8) of Title 64 of the  
9 Pennsylvania Consolidated Statutes is amended and the subsection  
10 is amended by adding a paragraph to read:

11 § 1543. Indebtedness.

12 \* \* \*

13 (b) Program limitations.--Indebtedness incurred by the  
14 authority under subsection (a) shall not, in aggregate, exceed  
15 any of the following:

16 \* \* \*

17 (8) [\$50,000,000] \$40,000,000 for the program  
18 established in section 1553 (relating to Second Stage Loan

1 Program) .

2 (9) \$10,000,000 for the program established in section  
3 1559 (relating to Flood Control and Prevention Program).

4 \* \* \*

5 Section 2. Title 64 is amended by adding a section to read:

6 § 1559. Flood Control and Prevention Program.

7 (a) Program.--

8 (1) The Flood Control and Prevention Program is  
9 established.

10 (2) The authority shall administer the program as  
11 follows:

12 (i) The authority shall establish guidelines  
13 governing the program and publish the guidelines on the  
14 department's Internet website.

15 (ii) Within 60 days of the effective date of this  
16 section, the authority shall submit for publication  
17 notification of the establishment of the program under  
18 this section and a brief description of the program in  
19 the Pennsylvania Bulletin and on the Internet website of  
20 the department. The authority shall provide written  
21 notification of the establishment of the program to all  
22 of the following:

23 (A) The County Commissioners Association of  
24 Pennsylvania.

25 (B) The Pennsylvania State Association of  
26 Township Commissioners.

27 (C) The Pennsylvania State Association of  
28 Township Supervisors.

29 (D) The Pennsylvania State Association of  
30 Boroughs.

1                   (E) The Pennsylvania League of Cities and  
2                   Municipalities.

3                   (iii) The notification under subparagraph (ii) shall  
4                   include the name of a contact person and the anticipated  
5                   time that applications and other information will become  
6                   available.

7                   (3) The program shall be operated as a revolving program  
8                   to provide low-interest loans and grants to persons for flood  
9                   control and prevention projects.

10                  (b) Account.--

11                  (1) The Flood Control and Prevention Account is  
12                  established as a separate account in the State Treasury.

13                  (2) The purpose of the account is to fund the program.

14                  (3) The following are the sources of the account:

15                   (i) Appropriations.

16                   (ii) Repayment of loans. This subparagraph includes  
17                   interest.

18                   (iii) Return on the money in the account.

19                  (4) The authority shall administer the account.

20                  (5) The money in the account is continuously  
21                  appropriated into the account. This appropriation shall not  
22                  lapse at the end of any fiscal year.

23                  (c) Applications.--

24                  (1) An owner of eligible property must submit an  
25                  application to the authority requesting a loan or a grant.

26                  (2) Applications shall be available electronically.

27                  (3) The application must be on the form required by the  
28                  authority and must include all of the following:

29                   (i) The applicant's name and address.

30                   (ii) A description of the flood control and

1 prevention project and an estimate of the cost of the  
2 project, including an itemized list of project costs.

3 (iii) The amount of the loan or grant.

4 (iv) A statement authorizing the authority to  
5 conduct a credit history check.

6 (v) Any other information required by the authority.

7 (d) Review of applications.--

8 (1) For a loan, the authority shall review the  
9 application to determine that all of the following apply:

10 (i) The project is eligible for financing under the  
11 program.

12 (ii) The applicant is eligible to receive a loan  
13 under the program.

14 (iii) The value of the proposed collateral and the  
15 financial resources of the applicant are sufficient to  
16 repay the loan.

17 (iv) The statement of the estimated project cost is  
18 accurate and reasonable.

19 (v) The applicant complied with all other criteria  
20 established by the authority.

21 (2) For a grant, the authority shall review the  
22 application to determine that all of the following apply:

23 (i) The project is eligible for financing under the  
24 program.

25 (ii) The applicant is eligible to receive a grant  
26 under the program.

27 (iii) The statement of the estimated project cost is  
28 accurate and reasonable.

29 (iv) The applicant complied with all other criteria  
30 established by the authority.

1 (e) Approval of applications.--If the application is deemed  
2 complete, the board may approve the application. The board shall  
3 have complete discretion in determining whether a proposed flood  
4 control and prevention project is eligible for a loan or grant.

5 (f) Security.--A loan awarded under the program shall be  
6 secured by a lien on the property for which the loan was  
7 approved and other sufficient collateral as determined by the  
8 authority.

9 (g) Limitations.--

10 (1) An applicant may not apply for a loan or a grant in  
11 an amount less than \$500 nor more than \$10,000.

12 (2) Terms of the loan shall be set by the board, except  
13 that the board may not require a loan to be repaid in full  
14 within six months of the loan closing date.

15 (3) The interest rate shall be a below-market, fixed  
16 interest rate, as determined by the authority, and may not  
17 exceed 3%.

18 (4) The loan repayment period may not exceed ten years  
19 with no prepayment penalty.

20 (5) Money received by the authority as loan repayment  
21 and money otherwise made available for the program shall be  
22 deposited in the account.

23 (6) The total amount of grants awarded under the program  
24 may not exceed \$1,000,000.

25 (h) Definitions.--As used in this section, the following  
26 words and phrases shall have the meanings given to them in this  
27 subsection unless the context clearly indicates otherwise:

28 "Account." The Flood Control and Prevention Account  
29 established in subsection (b).

30 "Applicant." A person that submits an application for a

1 grant or loan.

2 "Eligible property." An owner-occupied dwelling unit,  
3 residential rental unit or small business property located in an  
4 area designated as a flood zone by the governing body of the  
5 municipality where the property is located or in an area that  
6 has previously experienced episodes of flooding which resulted  
7 in water and other damage to the property.

8 "Flood control and prevention project." The purchase or  
9 installation of any of the following to alleviate or mitigate  
10 the impacts of flooding of an eligible property:

11 (1) A water-resistant or pressure door or window.

12 (2) Water-resistant material for an interior wall or  
13 floor.

14 (3) A floodskirt or barrier for attachment to a door or  
15 window.

16 (4) Material used to construct a barrier to prevent  
17 floodwaters from entering the property. This paragraph  
18 includes a retaining wall, terracing, a rain garden and an  
19 enhanced drainage system.

20 (5) Material used in wet flood proofing or dry flood  
21 proofing techniques.

22 (6) Any other similar product or material approved by  
23 the authority.

24 "Grant." A flood prevention project grant.

25 "Loan." A flood prevention project loan.

26 "Low-income applicant." An owner of an owner-occupied  
27 dwelling unit whose total household income, as determined by the  
28 most current Federal tax returns of all adult household members,  
29 does not exceed 200% of the Federal poverty level.

30 "Program." The Flood Control and Prevention Program

1 established in subsection (a).

2 "Small business." A person that is engaged in a for-profit  
3 enterprise and that employs no more than 50 individuals.

4 Section 3. This act shall take effect in 60 days.