
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 704 Session of
2019

INTRODUCED BY DiSANTO AND FOLMER, JUNE 6, 2019

REFERRED TO LOCAL GOVERNMENT, JUNE 6, 2019

AN ACT

1 Providing for electric generation facility cessation mitigation;
2 establishing the Electric Generation Facility Cessation
3 Mitigation Program; and providing for eligibility of grants
4 and for grant funding relating to tax loss for a qualifying
5 event.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Electric
10 Generation Facility Cessation Mitigation Act.

11 Section 2. Definitions.

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

15 "Commission." The Pennsylvania Public Utility Commission.

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

18 "Facility." An electric generation facility in this
19 Commonwealth.

20 "Program." The Electric Generation Facility Cessation

1 Mitigation Program established under this act.

2 "Qualifying event." Cessation of operations or diminution of
3 electricity production at a facility within the jurisdiction of
4 a political subdivision, which cessation or diminution causes a
5 tax loss.

6 "Tax loss." A reduction of at least 20% in real property tax
7 collections or payments in lieu of taxes, or both, owed by a
8 facility based on the differential between the annual real
9 property taxes or payments in lieu of taxes, or both, paid by a
10 facility to a political subdivision in the year prior to the
11 reduction and the real property taxes or payments in lieu of
12 taxes paid by a facility to a political subdivision in the year
13 of the reduction, exclusive of penalties and interest.

14 Section 3. Program.

15 (a) Establishment.--The Electric Generation Facility
16 Cessation Mitigation Program is established and shall be
17 administered by the Department of Community and Economic
18 Development to provide grants in accordance with this act.

19 (b) Grants.--The department shall award grants to eligible
20 political subdivisions that demonstrate to the department a
21 qualifying event.

22 (c) Grant funding.--Grants from the program shall be paid
23 from money appropriated or otherwise made available to the
24 department for that purpose.

25 Section 4. Eligibility for grants.

26 (a) Condition.--A political subdivision shall be eligible to
27 receive a grant if a qualifying event has occurred in the
28 political subdivision.

29 (b) Documentation.--

30 (1) The tax loss must be supported by documentary

1 evidence of the qualifying event.

2 (2) Documentation of the qualifying event must be
3 supported by written confirmation from the commission.

4 Section 5. Grant amount.

5 (a) General rule.--An eligible political subdivision may
6 apply to receive a grant on an annual basis for up to four
7 years, provided that the application and supporting
8 documentation confirm that the tax loss in each year remains in
9 excess of 20%. A political subdivision may apply for only one
10 grant each year regardless of the number of facilities and
11 qualifying events within its jurisdiction. Selected applicants
12 may receive an initial award up to, but not in excess of, 80% of
13 the demonstrated tax loss associated with the cessation.

14 (b) Subsequent years.--After the first year in which a grant
15 is awarded to a political subdivision, the department shall
16 reduce subsequent maximum potential grant awards to the
17 political subdivision as follows:

18	Award Year	Maximum Potential Grant Award
19	2	up to 60% of tax loss
20	3	up to 40% of tax loss
21	4	up to 20% of tax loss

22 (c) Determination of awards.--

23 (1) The department shall, in its discretion, award
24 grants based on review of the application materials,
25 supporting documentation and the demand for and availability
26 of money for the program. In making awards, the department
27 may consider the relative economic impact of cessation on an
28 applicant's jurisdiction and other relevant facts and
29 circumstances as the department deems necessary.

30 (2) Applications shall be accepted continuously and

1 reviewed on a first-come, first-served basis. An application
2 shall be considered complete and placed on a reserve list for
3 funding upon receipt of all items.

4 (3) Grant payments shall be made only after confirmation
5 of tax loss and all necessary approvals.

6 (4) The department shall notify the applicant if the
7 application is incomplete and include a listing of all
8 materials or information needed to complete the application.

9 (5) A complete application must include the following:

10 (i) An original signature of an official of the
11 eligible political subdivision.

12 (ii) Written confirmation from the commission
13 stating that the facility is no longer producing
14 electricity.

15 (iii) The name of the facility as it appears on the
16 tax roll.

17 (iv) The name of the facility owner.

18 (v) The parcel identification number for each parcel
19 of real property the facility comprises.

20 (vi) Documentary evidence of real property taxes or
21 payments in lieu of taxes, or both, paid by the facility
22 to the applicant in the year prior to the tax loss.

23 (vii) Documentary evidence of real property taxes or
24 payments in lieu of taxes, or both, paid by the facility
25 to the applicant in the year of the tax loss.

26 (viii) Documentation of other compensation applied
27 for, received or to be received from insurance payments,
28 grants or other property tax receipts that offset the tax
29 loss for the facility, if applicable.

30 (ix) Other information as required by the

1 department.

2 Section 6. Recapture of grants paid.

3 (a) General rule.--The department may require a political
4 subdivision to repay a grant received from the program if:

5 (1) the application of the political subdivision,
6 including any information provided with the application,
7 contains a material misrepresentation or is incomplete;

8 (2) the grant was awarded or disbursed in error and the
9 political subdivision is not entitled to assistance under
10 this act; or

11 (3) supporting documentation for the tax loss is not
12 true and complete.

13 (b) Payments from other sources.--If the applicant receives
14 insurance payments, additional grants or other property tax
15 receipts for the facility that reduce the amount of the tax loss
16 already compensated with a grant from the program, the applicant
17 shall immediately repay to the department the grant proceeds
18 corresponding to the payment.

19 (c) Fraud.--If the applicant makes or made a fraudulent
20 misrepresentation to the department relating to the application,
21 in addition to the recapture of the grant, the department may
22 pursue other legal remedies and refer the matter to the
23 appropriate governmental authorities for investigation and
24 prosecution.

25 Section 7. Resumption of commercial operations.

26 If a facility resumes commercial operations in a political
27 subdivision that has received and continues to receive a grant
28 under the program, the political subdivision shall be ineligible
29 for grants under the program in subsequent years.

30 Section 8. Audit and control.

1 The department may audit applications on a random or
2 specified basis for a period extending to six years after
3 payment of the last grant under this act. The department may
4 contact a Federal, State or local government agency, insurance
5 company or other third party to confirm information included, or
6 identify information that should have been included, in an
7 application.

8 Section 9. Disclosure of information.

9 (a) Political subdivisions.--A political subdivision that
10 submits an application for a grant under this act must agree to
11 allow:

12 (1) A Federal, State or local government agency or
13 authority that provides funding for a tax loss to share
14 information with the department relative to the funding. The
15 department shall maintain the confidentiality of information
16 shared as a result of the agreement, and the information
17 shall not be available for disclosure or inspection to the
18 extent permissible under State law.

19 (2) The department and its agents access to books and
20 records as the department deems necessary to monitor
21 compliance.

22 (b) Department.--Except as required by applicable law,
23 regulation or judicial process, the department shall maintain
24 the confidentiality of information submitted as part of
25 application submitted under this act. The information may be
26 made available to the department staff and designated
27 individuals processing applications, Federal, State and local
28 agencies, auditors evaluating the program and others as the
29 department deems necessary in accordance with applicable law and
30 regulations, including judicial orders and subpoenas.

1 Section 10. Effective date.

2 This act shall take effect in 60 days.