



Senate Environmental Resources and Energy Committee

Senator Gene Yaw
Chairman

Adam Pankake, Executive Director

Room 362 • State Capitol Building
Mailing address: Senate Box 203023 • Harrisburg, PA 17120-3023
Phone: 717-787-3280 • FAX: 717-772-0575 • energy@pasen.gov

Summary House Bill 1712, P.N. 2772

Prime Sponsor: Representative R. Brown

Summary

- Establishes the Private Dam Financial Assurance Act.
- Creates the Private Dam Financial Assurance Program, administered by DCED in consultation with DEP, to provide financial assurance for dam owners to assist in meeting financial obligations under the Dam Safety and Encroachments Act of 1978.
- Eligible dam owners must:
 1. Demonstrate compliance with the Dam Safety and Encroachments Act and the regulations promulgated under the act, as determined by DEP, including annual inspection reporting, payment of registration fees and compliance with an approved emergency action plan.
 2. Pay a one-time program enrollment fee of \$1,000 per dam.
 3. Pay an annual fee equal to 1% of the bond amount required by DEP.
- Program premium and fees will be deposited into the Private Dam Financial Assurance Fund.
 - DCED may begin accepting and approving loan applications at any time the fund has a balance equal to or greater than \$1,500,000 and DEP has not identified the need for an amount in excess of \$1,500,000 to correct the failure of owners to comply with the Dam Safety and Encroachments Act.
 - DCED must keep a balance of \$1,000,000 in the fund.
- Authorizes the establishment of a revolving loan program from the Fund to provide maintenance and repair assistance of up to 50% of eligible costs, but shall not exceed \$500,000, to private dam owners enrolled in the Assurance Program. Loan terms include:
 1. Up to 10 years;
 2. Loan interest rates will be fixed and equal to the 5-Year U.S. Treasury Note on the date the loan is awarded; and
 3. DCED may charge a loan origination fee up to 2.5% of the loan amount.

Effective Date

- This act shall take effect immediately.

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