

104TH CONGRESS
1ST SESSION

H. R. 1620

To authorize the Administrator of the Environmental Protection Agency to establish a pilot project providing loans to States to establish revolving loan funds for the environmental cleanup of sites in distressed areas that have the potential to attract private investment and create local employment.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 1995

Mr. REGULA (for himself, Mr. VISCLOSKY, Mr. TRAFICANT, Mr. LIPINSKI, Mr. DOYLE, Mr. SERRANO, Mr. ACKERMAN, Mr. FOGLIETTA, Mr. KLINK, Ms. PELOSI, Mr. LATOURETTE, Mr. ENGLISH of Pennsylvania, and Mr. MURTHA) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the Administrator of the Environmental Protection Agency to establish a pilot project providing loans to States to establish revolving loan funds for the environmental cleanup of sites in distressed areas that have the potential to attract private investment and create local employment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Brownfield Cleanup
3 and Redevelopment Revolving Loan Fund Pilot Project
4 Act of 1996”.

5 **SEC. 2. FINDINGS AND PURPOSES.**

6 (a) FINDINGS.—The Congress finds the following:

7 (1) Contaminated and underused or abandoned
8 industrial sites in distressed communities are, eco-
9 nomically, at a competitive disadvantage relative to
10 greenfield sites, as capital for their cleanup and re-
11 development may not be available.

12 (2) Contaminated and underused and aban-
13 doned industrial properties located in distressed
14 areas, owned by private, public, or nonprofit entities,
15 often with significant economic development poten-
16 tial once cleaned up, are unable to secure initial fi-
17 nancing for site remediation.

18 (3) Considerable public benefits can accrue
19 from such sites once cleaned up and brought back
20 to productive reuse, especially those devoted to in-
21 dustrial purposes that employ environmentally sound
22 practices.

23 (4) Voluntary cleanup programs spur private
24 sector cleanups when the property value is sufficient
25 and its location favorable enough to make the addi-
26 tional costs of cleanup economically feasible, but this

1 approach does not resolve the problems facing prop-
2 erties with little or no value, common among sites lo-
3 cated in economically distressed areas.

4 (5) Because of their experience in administering
5 targeted loan assistance programs, States are in a
6 good position to use Federal funds to capitalize re-
7 volving loan funds to support local cleanup and rede-
8 velopment projects.

9 (b) PURPOSE.—The purpose of this Act is to estab-
10 lish a pilot project to revitalize distressed communities by
11 providing loans for cleanup of certain industrial properties
12 that have the potential to attract private investment, fos-
13 ter clean manufacturing, and create jobs for local resi-
14 dents.

15 **SEC. 3. PILOT PROJECT PROVIDING REVOLVING LOAN**
16 **FUND FOR CLEANUPS UNDER STATE VOL-**
17 **UNTARY CLEANUP PROGRAMS.**

18 (a) ESTABLISHMENT OF LOAN PROGRAM.—The Ad-
19 ministrator of the Environmental Protection Agency
20 (hereinafter in this Act referred to as the “Adminis-
21 trator”) shall establish a pilot project to provide a capital-
22 ization loan to one or more States that submit applications
23 to the Administrator to establish or expand a State revolv-
24 ing loan fund for purposes of providing loans for voluntary
25 environmental cleanups of eligible facilities.

1 (b) APPLICATION FOR LOAN.—An application for a
2 capitalization loan under this section shall be in such form
3 as the Administrator considers appropriate. At a mini-
4 mum, the application shall include each of the following:

5 (1) Evidence that the State is carrying out a
6 voluntary cleanup program for eligible facilities. The
7 Administrator shall ensure that the State voluntary
8 program provides, at a minimum, adequate opportuni-
9 ties for public participation, sufficient technical as-
10 sistance, and oversight to ensure that cleanups com-
11 ply with Federal and State laws, and certification to
12 the owner and prospective purchaser that the clean-
13 up is complete.

14 (2) Evidence that the State will provide a
15 matching share of at least 20 percent of the costs
16 of such cleanup from either new or existing sources
17 of State funding.

18 (3) A description of the State's proposed revolv-
19 ing loan program and of the State's capability to
20 manage the program. States may use interest in-
21 come or loan repayments (in an amount equal to not
22 more than 10 percent of their revolving loan fund
23 amount) for program administrative purposes. At a
24 minimum, the State's revolving loan program shall—

1 (A) provide loans to both public and pri-
2 vate parties conducting voluntary cleanups
3 under the State's voluntary cleanup program
4 who are unable to secure loans from private
5 lending institutions or other means of financ-
6 ing;

7 (B) require that borrowers demonstrate
8 credit worthiness and the ability to carry out
9 the cleanup; and

10 (C) give priority to loans for the purpose
11 of cleaning up—

12 (i) facilities that are planned to be re-
13 used for industrial purposes that employ
14 environmentally sound practices; and

15 (ii) facilities that will generate jobs
16 for contractors whose principal place of
17 business is the political subdivision in
18 which the facility is located or for laborers
19 who reside in such political subdivisions.

20 (4) A statement that the State will begin repay-
21 ment of the loan within 5 years after receipt of the
22 loan, and evidence of the State's ability to repay the
23 loan.

1 (5) A statement that a loan from the revolving
2 loan fund will not be used to pay for any of the fol-
3 lowing:

4 (A) New construction.

5 (B) Environmental fines or penalties.

6 (C) Speculative assessments or speculative
7 rehabilitation at facilities with little or no po-
8 tential for economic development.

9 (6) Such other elements as the Administrator
10 considers appropriate.

11 (c) AMOUNT OF LOAN.—The Administrator shall de-
12 termine the distribution of funds among the eligible
13 States. The amount of a capitalization loan made by the
14 Administrator under this Act to a State may not exceed
15 15 percent of the amount available each year to all the
16 eligible States.

17 (d) AUTHORIZATION.—There are authorized to be ap-
18 propriated to the Administrator for purposes of making
19 capitalization loans to States under the pilot project estab-
20 lished by this section the sum of \$5,000,000 for fiscal year
21 1996 and \$7,500,000 for each of the fiscal years 1997
22 and 1998.

1 **SEC. 4. DEFINITIONS.**

2 For purposes of this Act the term “eligible facility”
3 means a facility or property in a State that is determined
4 by the State to have environmental contamination that—

5 (1) could prevent the timely use, development,
6 or reuse of the facility or property; and

7 (2) is limited in scope and can be comprehen-
8 sively and readily evaluated.

9 Such term shall not include any of the following:

10 (A) A facility that is eligible for abatement ac-
11 tion under section 106 of the Comprehensive Envi-
12 ronmental Response, Compensation, and Liability
13 Act of 1980.

14 (B) A facility that, as of the date of the enact-
15 ment of this Act, is subject to Federal enforcement
16 action under the Comprehensive Environmental Re-
17 sponse, Compensation, and Liability Act of 1980 (42
18 U.S.C. 9601 et seq.).

19 (C) A facility included, or proposed for inclu-
20 sion, on the National Priorities List or on the com-
21 prehensive environmental response, compensation,
22 and liability inventory system (“CERCLIS”) that
23 has been evaluated as high priority under the hazard
24 ranking system.

25 (D) A facility required to have a permit under
26 section 3005 of the Solid Waste Disposal Act that

1 does not have a permit under that section and does
2 not qualify for authorization to operate in interim
3 status under subsection (e) of that section.

4 (E) A land disposal unit with respect to which
5 a closure notification under subtitle C of the Solid
6 Waste Disposal Act (42 U.S.C. 6921 et seq.) is sub-
7 mitted and closure requirements are specified in a
8 closure plan or permit.

9 (F) A facility subject to corrective action under
10 section 3004(u) or 3008(h) of the Solid Waste Dis-
11 posal Act (42 U.S.C. 5924(u) or 6928(h)) that is
12 evaluated as high priority under the Environmental
13 Protection Agency's National Corrective Action Pri-
14 ority System as set forth in regulations under sub-
15 title C of the Solid Waste Disposal Act.

16 (G) A facility at which assistance for response
17 activities may be obtained pursuant to subtitle I of
18 the Solid Waste Disposal Act (42 U.S.C. 6991 et
19 seq.) from the Leaking Underground Storage Tank
20 Trust Fund established under section 9508 of the
21 Internal Revenue Code of 1986.

22 (H) A facility owned or operated by a depart-
23 ment, agency, or instrumentality of the United
24 States.

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