

NEWS & INSIGHTS

Proposed changes to PENNVEST funding, public notice law and Steel Products Procurement exemptions could affect public authorities

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Water and wastewater authorities may want to keep an eye on three measures working their way through the legislature and the Department of General Services this spring. All of the changes provide the opportunity to reduce expenses and improve customer service.

Pennsylvania Infrastructure Investment Authority project reform

Municipal water and wastewater authorities, which have funded projects or would like to fund projects using Pennsylvania Infrastructure Investment Authority ([PENNVEST](#)) loans and grants, may be interested in [Senate Bill 430](#), which was introduced by Sen. Scott Hutchinson (R) on March 15 and referred to the [Senate Environmental Resources and Energy Committee](#). The proposed legislation would permit PENNVEST funds to be used to refinance debt. Currently, PENNVEST loans and grants cannot be used to refinance existing long-term debt, regardless of the merits or eligibility of the project funded. Refinancing older high-cost debt with a PENNVEST loan at 1.00% - 2.178% could significantly reduce debt service and, thus, provide additional funds for capital projects or Authority expenses. Several questions may need to be considered as the legislation moves forward:

- Do the various streams of funding, some of which are federal funds from the Clean Water and Safe Drinking Water Revolving Funds, prohibit refinancing?
- Will the volume of loans to be refinanced squeeze out funding for new projects?
- How are loans to be refinanced prioritized – by the merits of the original project or total debt service savings to the applicant?

Public notices in the Digital Age

On March 17, [House Bill 955](#) was introduced by Rep. Jason Ortitay (R) and referred to the [House Local Government Committee](#). The proposal allows counties, municipalities and school districts to advertise public notices either electronically or in printed format by choosing from a menu of options. It is not clear whether the bill includes municipal authorities, which would welcome the same relief from pre-internet era notice requirements as local governments.

Subject to the Steel Products Procurement Act?

The Pennsylvania Department of General Services ([DGS](#)) has [published a list of exempt machinery and equipment steel products](#) under the [SPPA](#) and opened a 30-day comment period for the public to submit comments as to the domestic availability of a steel product on the list to the Deputy Secretary for Public Works, Department of General Services, 1800 Herr Street, Harrisburg, PA 17125 or by emailing ra-steel@pa.gov.

Seek government relations support

Saxton & Stump attorney and registered Pennsylvania lobbyist [Kathy Pape](#) is available to further discuss the impact of these potential changes and how our [Regulatory and Government Affairs](#) team can help municipal water and wastewater authorities to ensure that their interests are represented.

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