

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3844

To authorize the Administrator of the Environmental Protection Agency to provide 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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1994

Mr. VISCLOSKY (for himself, Mr. REGULA, Mr. FINGERHUT, and Mr. LIPINSKI) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To authorize the Administrator of the Environmental Protection Agency to provide 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,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Brownfield Cleanup  
5       and Redevelopment Revolving Loan Fund Act”.

6       **SEC. 2. FINDINGS AND PURPOSES.**

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

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

6           (2) Contaminated and underused and aban-  
7 doned industrial properties located in distressed  
8 areas, owned by private, public, or nonprofit entities,  
9 often with significant economic development poten-  
10 tial once cleaned up, are unable to secure initial fi-  
11 nancing for site remediation.

12           (3) Considerable public benefits can accrue  
13 from such sites once cleaned up and brought back  
14 to productive reuse, especially those devoted to in-  
15 dustrial purposes that employ environmentally sound  
16 practices.

17           (4) Voluntary cleanup programs spur private  
18 sector cleanups when the property value is sufficient  
19 and its location favorable enough to make the addi-  
20 tional costs of cleanup economically feasible, but this  
21 approach does not resolve the problems facing prop-  
22 erties with little or no value, common among sites lo-  
23 cated in economically distressed areas.

24           (5) Because of their experience in administering  
25 targeted loan assistance programs, States are in a

1 good position to use Federal funds to capitalize re-  
2 volving loan funds to support local cleanup and rede-  
3 velopment projects.

4 (b) PURPOSE.—The purpose of this Act is to revital-  
5 ize distressed communities by providing loans for cleanup  
6 of certain industrial properties that have the potential to  
7 attract private investment, foster clean manufacturing,  
8 and create jobs for local residents.

9 **SEC. 3. REVOLVING LOAN FUND FOR CLEANUPS UNDER**  
10 **STATE VOLUNTARY CLEANUP PROGRAMS.**

11 (a) ESTABLISHMENT OF LOAN PROGRAM.—The Ad-  
12 ministrator of the Environmental Protection Agency  
13 (hereinafter in this Act referred to as the “Adminis-  
14 trator”) shall establish a program to provide a capitaliza-  
15 tion loan to any State that submits an application that  
16 is approved by the Administrator to establish or expand  
17 a State revolving loan fund for purposes of providing loans  
18 for voluntary environmental cleanups of eligible facilities.

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

23 (1) Evidence that the State is carrying out a  
24 voluntary cleanup program for eligible facilities. The  
25 Administrator shall insure that the State voluntary

1 program provides, at a minimum, adequate opportuni-  
2 ties for public participation, sufficient technical as-  
3 sistance, and oversight to ensure that cleanups com-  
4 ply with Federal and State laws, and certification to  
5 the owner and prospective purchaser that the clean-  
6 up is complete.

7 (2) Evidence that the State will provide a  
8 matching share of at least 20 percent of the costs  
9 of such cleanup from either new or existing sources  
10 of State funding.

11 (3) A description of the State's proposed revolv-  
12 ing loan program and of the State's capability to  
13 manage the program. States may use interest in-  
14 come or loan repayments (in an amount equal to not  
15 more than 10 percent of their revolving loan fund  
16 amount) for program administrative purposes. At a  
17 minimum, the State's revolving loan program shall—

18 (A) provide loans to both public and pri-  
19 vate parties conducting voluntary cleanups  
20 under the State's voluntary cleanup program  
21 who are unable to secure loans from private  
22 lending institutions or other means of financ-  
23 ing;

1 (B) require that borrowers demonstrate  
2 credit worthiness and the ability to carry out  
3 the cleanup; and

4 (C) give priority to loans for the purpose  
5 of cleaning up—

6 (i) facilities that are planned to be re-  
7 used for industrial purposes that employ  
8 environmentally sound practices; and

9 (ii) facilities that will generate jobs  
10 for contractors whose principal place of  
11 business is the political subdivision in  
12 which the facility is located or for laborers  
13 who reside in such political subdivisions.

14 (4) A statement that the State will begin repay-  
15 ment of the loan within 5 years after receipt of the  
16 loan, and evidence of the State's ability to repay the  
17 loan.

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

21 (A) New construction.

22 (B) Environmental fines or penalties.

23 (C) Speculative assessments or speculative  
24 rehabilitation at facilities with little or no po-  
25 tential for economic development.

1           (6) Such other elements as the Administrator  
2           considers appropriate.

3           (c) AMOUNT OF LOAN.—The Administrator shall de-  
4           termine the distribution of funds among the eligible  
5           States. The amount of a capitalization loan made by the  
6           Administrator under this Act to a State may not exceed  
7           15 percent of the amount available each year to all the  
8           eligible States.

9           (d) AUTHORIZATION.—There are authorized to be ap-  
10          propriated to the Administrator for purposes of making  
11          capitalization loans to States under this section the sum  
12          of \$5,000,000 for fiscal year 1995 and \$7,500,000 for  
13          each of the fiscal years 1996 and 1997.

14       **SEC. 4. DEFINITIONS.**

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

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

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

22          Such term shall not include any of the following:

23               (A) A facility that is eligible for abatement ac-  
24               tion under section 106 of the Comprehensive Envi-

1       ronmental Response, Compensation, and Liability  
2       Act of 1980.

3               (B) A facility that, as of the date of the enact-  
4       ment of this Act, is subject to Federal enforcement  
5       action under the Comprehensive Environmental Re-  
6       sponse, Compensation, and Liability Act of 1980 (42  
7       U.S.C. 9601 et seq.).

8               (C) A facility included, or proposed for inclu-  
9       sion, on the National Priorities List or on the com-  
10      prehensive environmental response, compensation,  
11      and liability inventory system (“CERCLIS”) that  
12      has been evaluated as high priority under the hazard  
13      ranking system.

14              (D) A facility required to have a permit under  
15      section 3005 of the Solid Waste Disposal Act that  
16      does not have a permit under that section and does  
17      not qualify for authorization to operate in interim  
18      status under subsection (e) of that section.

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

24              (F) A facility subject to corrective action under  
25      section 3004(u) or 3008(h) of the Solid Waste Dis-

1 disposal Act (42 U.S.C. 5924(u) or 6928(h)) that is  
2 evaluated as high priority under the Environmental  
3 Protection Agency's National Corrective Action Pri-  
4 ority System as set forth in regulations under sub-  
5 title C of the Solid Waste Disposal Act.

6 (G) A facility at which assistance for response  
7 activities may be obtained pursuant to subtitle I of  
8 the Solid Waste Disposal Act (42 U.S.C. 6991 et  
9 seq.) from the Leaking Underground Storage Tank  
10 Trust Fund established under section 9508 of the  
11 Internal Revenue Code of 1986.

12 (H) A facility owned or operated by a depart-  
13 ment, agency, or instrumentality of the United  
14 States.

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