

105TH CONGRESS  
1ST SESSION

# H. R. 1462

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 brownfield 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

APRIL 24, 1997

Mr. VISCLOSKY introduced the following bill; which was referred to the  
Committee on Commerce

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## 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 brownfield 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 Pilot Project  
6       Act of 1997”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds:

3 (1) Nationwide, older abandoned or under-used  
4 commercial and industrial sites known as  
5 brownfields are often overlooked for redevelopment  
6 because of real or perceived contamination from past  
7 commercial or industrial activities.

8 (2) Reuse of these sites often requires site as-  
9 sessment and cleanup, adding costs and uncertain-  
10 ties to the redevelopment process, and prompting  
11 many developers to pursue cheaper, less complicated  
12 development options on undeveloped sites.

13 (3) Brownfields are at a competitive disadvan-  
14 tage relative to greenfield sites, as capital for their  
15 cleanup and redevelopment may not be available.  
16 Often located in distressed areas, brownfields, owned  
17 by public, private, or nonprofit entities, are fre-  
18 quently unable to secure financing for site remedi-  
19 ation.

20 (4) States have created remedial action pro-  
21 grams to allow a person to respond voluntarily to a  
22 release or suspected release of hazardous substances  
23 at low and medium priority facilities. Such programs  
24 have flourished due to the States' ability to stream-  
25 line duplicative State and Federal regulatory re-

1       quirements and affect a timely, cost-effective, and  
2       environmentally protective cleanup of sites.

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

8       (b) PURPOSE.—The purpose of this Act is to estab-  
9       lish a pilot project to revitalize distressed communities by  
10      providing loans for cleanup of eligible brownfield facilities  
11      and properties that are remediated through State vol-  
12      untary cleanup programs and that have the potential to  
13      attract private investment, foster clean manufacturing,  
14      and create jobs for local residents.

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 opportu-  
9 nities for meaningful public participation, sufficient  
10 technical assistance, and adequate oversight and en-  
11 forcement authority to ensure that cleanups protect  
12 human health and the environment, adequate re-  
13 sources are available to carry out cleanup, and cer-  
14 tification from the State to the owner or prospective  
15 purchaser that the cleanup is complete.

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

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

1 amount) for program administrative purposes. At a  
2 minimum, the State's revolving loan program shall—

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

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

12 (C) give priority to loans for the purpose  
13 of cleaning up—

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

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

22 (4) A statement that the State will begin repay-  
23 ment of the loan within 5 years after receipt of the  
24 loan, and evidence of the State's ability to repay the  
25 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 at previously unde-  
5       veloped sites.

6                   (B) Environmental fines or penalties.

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

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

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

18       (d) AUTHORIZATION.—There are authorized to be ap-  
19       propriated to the Administrator for purposes of making  
20       capitalization loans to States under the pilot project estab-  
21       lished by this section the sum of \$5,000,000 for fiscal year  
22       1998 and \$7,500,000 for each of the fiscal years 1999  
23       and 2000.

1 **SEC. 4. DEFINITIONS.**

2 For purposes of this Act, the term “eligible facility”  
3 means a facility or property that is a low- or medium-  
4 priority environmental hazard for the State, but whose en-  
5 vironmental contamination is thought to be preventing the  
6 timely use, redevelopment, or reuse of the facility or prop-  
7 erty, and is thought to be limited in scope and readily as-  
8 sessable, except that such term shall not include any of  
9 the following:

10 (1) A facility for which an abatement action has  
11 been taken or is scheduled to be taken under section  
12 106 of the Comprehensive Environmental Response,  
13 Compensation, and Liability Act of 1980 or for  
14 which an action has been taken or is scheduled to  
15 be taken under section 7003 of the Solid Waste Dis-  
16 posal Act.

17 (2) A facility that is the subject of a Federal  
18 response action under section 104 of the Com-  
19 prehensive Environmental Response, Compensation,  
20 and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

21 (3) A facility included on the National Prior-  
22 ities List or proposed for inclusion and for which  
23 documentation for listing has been prepared by the  
24 State or the Administrator.

25 (4) 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 (5) A land disposal unit with respect to which  
5 a closure requirement 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 (6) A facility that is the subject of a corrective  
10 action under section 3004(u) or 3008(h) of the Solid  
11 Waste Disposal Act (42 U.S.C. 5924(u) or 6928(h))  
12 that has been evaluated as high priority under the  
13 Environmental Protection Agency's National Correc-  
14 tive Action Priority System as set forth in regula-  
15 tions under subtitle C of the Solid Waste Disposal  
16 Act.

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



1           (8) A facility owned or operated by a depart-  
2           ment, agency, or instrumentality of the United  
3           States.

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