

AMENDMENTS TO HOUSE BILL NO. 785

Sponsor: REPRESENTATIVE TURZAI

Printer's No. 2218

1 Amend Bill, page 1, lines 1 through 10, by striking out all
2 of said lines and inserting
3 Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An
4 act providing for borrowing for capital facilities;
5 conferring powers and duties on various administrative
6 agencies and officers; making appropriations; and making
7 repeals," in capital facilities, further providing for bonds,
8 issue of bonds and notes, maturity, interest and for
9 appropriation for and limitation on redevelopment assistance
10 capital projects; and providing for capital budgets.

11 Amend Bill, page 1, lines 13 through 21; pages 2 through 7,
12 lines 1 through 30; page 8, lines 1 through 18; by striking out
13 all of said lines on said pages and inserting

14 Section 1. Sections 307(c) and 317 of the act of February 9,
15 1999 (P.L.1, No.1), known as the Capital Facilities Debt
16 Enabling Act, are amended to read:

17 Section 307. Bonds, issue of bonds and notes, maturity,
18 interest.

19 * * *

20 (c) Terms and conditions.--

21 (1) Except as set forth in subsection (a) or (b), the
22 terms and conditions of issue, redemption and maturity and
23 time of payment of interest shall be as the issuing officials
24 shall specify. Bonds of any series shall mature within a
25 period not to exceed the estimated useful lives of the
26 capital projects as stated in the debt-authorizing act but
27 not later than 30 years from the date of issuance.

28 (2) The issuing officials shall provide for the
29 amortization of the bonds in substantial and regular amounts
30 over the term of the debt, but the first retirement of
31 principal shall be stated to mature prior to the expiration
32 of a period of time equal to one-tenth of the time from the
33 date of the first obligation issued to evidence the debt to
34 the date of the expiration of the term of the debt.

35 (3) [Retirements] (i) Except as provided in

1 subparagraph (ii), retirements of principal shall be
2 regular and substantial if made in annual or semiannual
3 amounts whether by stated serial maturities or by
4 mandatory sinking fund retirements computed in accordance
5 with [either a level annual debt service plan as nearly
6 as may be or upon] the equal annual maturities plan.

7 (ii) Retirements of principal for funding bonds
8 authorized under section 312 shall be regular and
9 substantial if made in annual or semiannual amounts
10 whether by stated serial maturities or by mandatory
11 sinking fund retirements computed in accordance with
12 either a level annual debt service plan as nearly as may
13 be or upon the equal annual maturities plan.

14 (4) If debt is incurred in one issue of bonds to provide
15 funds for and towards the financial cost of capital projects
16 having estimated useful lives of varying length, the
17 following shall apply:

18 (i) The aggregate of the financial costs shall be
19 considered as the debt to be incurred for the purpose of
20 fixing the regular and substantial amounts of principal
21 to be retired.

22 (ii) The term of the debt shall be to the end of the
23 longest estimated useful life for the purpose of
24 determining the first date for the retirement of
25 principal. At the end of the estimated useful life of
26 each project, the aggregate principal retirements
27 required to be made at or before that date shall exceed:

28 (A) the aggregate financial cost of all capital
29 projects having the same or shorter estimated useful
30 lives; or

31 (B) if bonds are issued for less than the full
32 financial cost of all projects being financed in the
33 same category, a proportionate amount in each case.

34 [(4.1) The issuing officials may enter into agreements
35 or contracts to insure or secure payment of principal,
36 interest or the purchase price of bonds which, in the
37 judgment of the issuing officials, will assist in managing
38 the interest costs of the debt of the Commonwealth.]

39 (5) The issuing officials are authorized to carry out
40 the provisions of this chapter relating to the issuance of
41 bonds and shall determine all matters in connection with the
42 issuance of bonds subject to the provisions hereof.

43 * * *

44 Section 317. Appropriation for and limitation on [redevelopment
45 assistance] capital projects.

46 (a) Appropriation.--The amount necessary to pay principal of
47 and interest on all obligations issued to provide funds for
48 redevelopment assistance capital projects shall be appropriated
49 from the General Fund and shall be transferred to the Capital
50 Debt Fund upon authorization by the Governor.

51 (b) Limitation on redevelopment assistance capital projects

1 obligations.--The maximum amount of redevelopment assistance
2 capital projects undertaken by the Commonwealth for which
3 obligations are outstanding shall not exceed, in aggregate,
4 [\$3,450,000,000.] \$3,400,000,000. Beginning July 1, 2018, and
5 each July 1 thereafter until the sum of the outstanding
6 obligations for redevelopment assistance capital projects equals
7 \$3,200,000,000, the sum of the maximum amount of outstanding
8 obligations for redevelopment assistance projects shall be
9 decreased by \$50,000,000.

10 (b.1) Limitation on additional capital project releases
11 financed by debt.--In each fiscal year, the following
12 limitations on releasing additional capital projects for funding
13 authorizations financed by debt shall apply:

14 (1) The maximum amount of additional public improvement
15 projects released for funding by the Commonwealth in a fiscal
16 year shall not exceed \$350,000,000.

17 (2) The maximum amount of additional redevelopment
18 assistance capital projects released for funding by the
19 Commonwealth in a fiscal year shall not exceed \$125,000,000.

20 (b.2) Carry forward.--

21 (1) Subject to the limitations in paragraph (2), in a
22 fiscal year in which the projects released for funding under
23 subsection (b.1) is less than the amount authorized for
24 release under subsection (b.1), the remaining amount may be
25 carried forward and added to the following fiscal year
26 limitation for projects released for funding under subsection
27 (b.1).

28 (2) The amount carried forward under paragraph (1) may
29 not exceed half of the total amount authorized to be released
30 for funding in that project category for the previous fiscal
31 year.

32 (c) Housing units.--An amount not to exceed \$50,000,000 of
33 the amount under subsection (b) may be used for the construction
34 of housing units.

35 Section 2. The act is amended by adding a chapter to read:

36 CHAPTER 6

37 CAPITAL BUDGETS

38 SUBCHAPTER A

39 SCOPE OF CHAPTER

40 Section 601. Scope of chapter.

41 This chapter applies to capital budgets for particular fiscal
42 years.

43 SUBCHAPTER B

44 CAPITAL BUDGET ACT OF 2017-2018

45 Section 611. Short title.

46 This subchapter shall be known and may be cited as the
47 Capital Budget Act of 2017-2018.

48 Section 612. Overall limitations on debt to be incurred for
49 capital projects.

50 The maximum principal amount of additional debt to be
51 incurred during the 2017-2018 fiscal year and thereafter until

1 the enactment of the 2018-2019 capital budget specifying the
2 maximum debt for the 2018-2019 fiscal year for capital projects
3 specifically itemized in a capital budget pursuant to section
4 7(a)(4) of Article VIII of the Constitution of Pennsylvania and
5 the fund to be charged with the repayment of such debt shall,
6 with respect to each category of capital projects, be as
7 follows:

8 (1) Public Improvement

9 Projects:

10 (i) Buildings and
11 structures

\$680,000,000

General Fund or
special fund as
applicable

14 (2) Furniture and
15 equipment

10,000,000

General Fund or
special fund as
applicable

18 (3) Transportation
19 assistance projects

350,000,000

General Fund

20 (4) Redevelopment
21 assistance projects

175,000,000

General Fund

22 (5) Flood control
23 projects

10,000,000

General Fund

24 Total \$1,225,000,000

25 Section 3. The addition of section 317(b.1) of the act shall
26 apply retroactively to July 1, 2017.

27 Section 4. This act shall take effect immediately.