

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 2082** Session of  
2005

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INTRODUCED BY ALLEN, OCTOBER 19, 2005

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AS REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, OCTOBER 19, 2005

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## AN ACT

1 Establishing appropriations limitations; and providing for the  
2 disposition of surplus funds.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the  
7 Appropriations Limitations Act.

8 Section 2. Limitations on appropriations.

9 (a) General rule.--Except as set forth in subsection (b), in  
10 any fiscal year, the General Assembly shall not increase total  
11 General Fund State appropriations above the amount of total  
12 General Fund State appropriations authorized for the preceding  
13 fiscal year by a percentage which exceeds the average percentage  
14 increase over the immediately preceding three ~~fiscal~~ CALENDAR ←  
15 years in the Consumer Price Index for All Urban Consumers of the  
16 Bureau of Labor Statistics unless a referendum stating the  
17 amount and duration of the increase is approved by a majority of

1 the electors voting on the referendum.

2 (b) Exception.--Subsection (a) shall not apply to any of the  
3 following:

4 (1) An appropriation which, as a result of a requirement  
5 of Federal law, is made for a new program or service or for  
6 an increase in the level of service for an existing program  
7 beyond the existing level of service.

8 (2) An appropriation which, as a result of a requirement  
9 of a Federal or State court order which has become final, is  
10 made for a new program or service or for an increase in the  
11 level of service for an existing program beyond the existing  
12 level of service.

13 (3) An appropriation providing for the Commonwealth's  
14 share of payments for pension obligations as provided by law.

15 (4) An appropriation for the repayment of interest and  
16 principal ~~of~~ FOR all debt incurred by or on behalf of the ←  
17 Commonwealth.

18 (5) An appropriation in response to a Presidential or  
19 gubernatorial declaration of an emergency or major disaster  
20 in any part of this Commonwealth and which is approved by  
21 three-fifths of the members elected to each House of the  
22 General Assembly.

23 Section 3. Refund of surplus operating funds.

24 Surplus operating funds in the General Fund at the end of the  
25 fiscal year which are not required by law to be deposited into  
26 the Budget Stabilization Reserve Fund shall be refunded pro rata  
27 to the citizens of this Commonwealth based on the liability  
28 reported on annual returns filed ~~following the close of the~~ ←  
29 ~~fiscal year for the tax under Article III of the act of March 4,~~  
30 ~~1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.~~

1 PURSUANT TO SECTION 330 OF THE ACT OF MARCH 4, 1971 (P.L.6,  
2 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, WITHIN THE FISCAL  
3 YEAR IN WHICH THE SURPLUS WAS CREATED. THE PRO RATA REFUND SHALL  
4 BE IN THE FORM OF A TAX CREDIT APPLIED AGAINST THE TAX LIABILITY  
5 REPORTED ON THE ANNUAL INCOME TAX RETURNS FILED PURSUANT TO  
6 SECTION 330 OF THE TAX REFORM CODE OF 1971 IN THE IMMEDIATELY  
7 SUCCEEDING FISCAL YEAR. IF THE TAX CREDIT PROVIDED UNDER THIS  
8 SECTION EXCEEDS THE TAXPAYER'S LIABILITY, THE TAXPAYER SHALL  
9 RECEIVE A REFUND OF THE AMOUNT IN EXCESS OF THE LIABILITY.

10 Section 20. Effective date.

11 This act shall take effect immediately.