
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1

Session of
1979

INTRODUCED BY MESSRS. TADDONIO, SWEET, VROON, KOLTER, S. E. HAYES, KOWALYSHYN, HOEFFEL, D. M. FISHER, POLITE, GEIST, PYLES, E. G. JOHNSON, WENGER, KNEPPER, MRS. KERNICK MESSRS. NOYE, A. C. FOSTER, LASHINGER, STAIRS, TRELLO, GRUPPO, PICCOLA, ZELLER, ZORD, GOEBEL, McVERRY, REED, SIEMINSKI, CESSAR, PUNT, DORR, BURD, DeVERTER, W. W. FOSTER, PITTS, STEWART, McCLATCHY, KLINGAMAN, E. R. LYNCH, MISS SIRIANNI, MESSRS. LEVI, FREIND, MRS. ARTY, MESSRS. R. R. FISCHER, SWIFT, BOWSER, POTT, ZWIKL, WILSON, GLADECK, CIMINI, MOWERY, PERZEL AND DIETZ, JANUARY 23, 1979

SENATOR ORLANDO, FINANCE, IN SENATE, AS AMENDED, JUNE 30, 1980

A JOINT RESOLUTION

1 ~~Proposing an amendment to the Constitution of the Commonwealth~~ <—
2 ~~of Pennsylvania, providing for spending limitations on the~~
3 ~~State and its political subdivisions.~~

4 PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE COMMONWEALTH <—
5 OF PENNSYLVANIA, AUTHORIZING SPECIAL TAX PROVISIONS FOR
6 TAXPAYERS IN CERTAIN AREAS.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby resolves as follows:

9 ~~Section 1. The following amendment to the Constitution of~~ <—
10 ~~the Commonwealth of Pennsylvania is proposed in accordance with~~
11 ~~the provisions of Article XI thereof:~~

12 ~~That Article VIII be amended by adding a section to read:~~

13 ~~§ 18. Spending limitations.~~

14 ~~(a) Total spending by the Commonwealth shall not exceed the~~
15 ~~spending limit in any fiscal year. The spending limit for any~~

1 ~~fiscal year shall be equal to the spending during the~~
2 ~~immediately prior fiscal year, adjusted by 80% of the compound~~
3 ~~annual rate of change for the two preceding years of the~~
4 ~~Personal Income by Place of Residence for Pennsylvania as~~
5 ~~defined and officially reported by the United States Department~~
6 ~~of Commerce. The percentage of the rate of change used in any~~
7 ~~fiscal year to adjust the limit may be increased for that year,~~
8 ~~but not to a percentage in excess of 100%, by the affirmative~~
9 ~~vote of two thirds of the members elected to each House of the~~
10 ~~General Assembly.~~

11 ~~(b) The General Assembly shall enact legislation restricting~~
12 ~~the annual growth in spending of each municipality and school~~
13 ~~district to an appropriate economic index adjusted for~~
14 ~~population growth and shall provide for changing such spending~~
15 ~~limit by a majority vote of the electorate of said municipality~~
16 ~~or school district.~~

17 ~~(c) If the duty of paying any cost or any portion thereof~~
18 ~~shall be transferred from one level or unit of government to~~
19 ~~another the cost so transferred shall be deducted from the~~
20 ~~spending limit of the transferor and shall be added to the~~
21 ~~spending limit of the transferee.~~

22 ~~(d) The Commonwealth shall not impose upon any unit of local~~
23 ~~government new programs or increase levels of service under~~
24 ~~existing programs unless the necessary cost thereof shall be~~
25 ~~fully funded by the Commonwealth.~~

26 ~~(e) The Commonwealth's spending limit as provided in~~
27 ~~subsection (a) may be changed by the procedure outlined in~~
28 ~~section 1(a) of Article XI.~~

29 ~~(f) The spending limit of the Commonwealth may be exceeded~~
30 ~~in any fiscal year for a presidentially declared emergency or~~

1 ~~major disaster. The spending limit may also be exceeded for~~
2 ~~other declared emergencies if the Governor so requests and the~~
3 ~~General Assembly approves by the affirmative vote of two thirds~~
4 ~~of the members elected to each House. The excess spending~~
5 ~~authorized by exceeding the limit in this manner shall not be~~
6 ~~included in the computation base of the spending limit for any~~
7 ~~subsequent fiscal year.~~

8 ~~(g) Future liabilities resulting from the adoption of or~~
9 ~~contracting for new or improved deferred compensation or~~
10 ~~benefits or pensions on or after the effective date of this~~
11 ~~amendment, shall be fully funded each year in accordance with an~~
12 ~~accepted advance funding actuarial method using actuarial~~
13 ~~assumptions and asset valuation methods.~~

14 ~~(h) Total spending by the Commonwealth means all~~
15 ~~appropriations and authorizations from the General Fund, and~~
16 ~~Motor License Fund and funds created after the effective date of~~
17 ~~this amendment, and shall exclude refunds, servicing of bonded~~
18 ~~indebtedness incurred prior to the effective date of this~~
19 ~~amendment and of voter approved bonded indebtedness,~~
20 ~~expenditures for funding the unfunded pension liabilities~~
21 ~~existing on the effective date of this amendment, and the~~
22 ~~spending of Federal funds, gifts or receipts restricted by laws~~
23 ~~in effect as of January 1, 1980. This section shall not be~~
24 ~~circumvented by creating additional spending programs in, or~~
25 ~~transferring spending from the General Fund or Motor License~~
26 ~~Fund to, existing special funds or restricted receipt accounts.~~

27 ~~(i) The Commonwealth shall not impose taxes or spend~~
28 ~~revenues in excess of those imposed or spent during the fiscal~~
29 ~~year next following the date on which this amendment is adopted~~
30 ~~until the legislation required by subsection (b) has been~~

1 ~~enacted.~~

2 SCHEDULE

3 ~~Section 18(a) of Article VIII shall be effective beginning~~
4 ~~with the first fiscal year commencing more than six months~~
5 ~~following approval of section 18 by the electorate.~~

6 SECTION 1. THE FOLLOWING AMENDMENT TO THE CONSTITUTION OF
7 THE COMMONWEALTH OF PENNSYLVANIA IS PROPOSED IN ACCORDANCE WITH
8 THE PROVISIONS OF ARTICLE XI THEREOF: <—

9 THAT SUBSECTION (B) OF SECTION 2 OF ARTICLE VIII BE AMENDED
10 BY ADDING A CLAUSE TO READ:

11 § 2. EXEMPTIONS AND SPECIAL PROVISIONS.

12 * * *

13 (B) THE GENERAL ASSEMBLY MAY, BY LAW:

14 * * *

15 (V) ESTABLISH STANDARDS AND QUALIFICATIONS BY WHICH LOCAL
16 TAXING AUTHORITIES IN COUNTIES OF THE FIRST AND SECOND CLASS MAY
17 MAKE UNIFORM SPECIAL REAL PROPERTY TAX PROVISIONS APPLICABLE TO
18 TAXPAYERS WHO ARE LONGTIME OWNER-OCCUPANTS AS SHALL BE DEFINED
19 BY THE GENERAL ASSEMBLY OF RESIDENCES IN AREAS WHERE REAL
20 PROPERTY VALUES HAVE RISEN MARKEDLY AS A CONSEQUENCE OF THE
21 REFURBISHING OR RENOVATING OF OTHER DETERIORATING RESIDENCES OR
22 THE CONSTRUCTION OF NEW RESIDENCES.

23 * * *