

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 931 Session of
2003

INTRODUCED BY BROWNE, BAKER, BALDWIN, BARRAR, BASTIAN, BEBKO-JONES, BELARDI, BELFANTI, BENNINGHOFF, BISHOP, BUXTON, CAPPELLI, CAWLEY, CIVERA, CLYMER, CORRIGAN, COSTA, COY, CRUZ, CURRY, DALEY, DALLY, DeWEESE, FAIRCHILD, GEORGE, GODSHALL, GORDNER, GRUCELA, HARHAI, HARHART, HENNESSEY, HERMAN, HORSEY, HUTCHINSON, KELLER, LAUGHLIN, LEACH, LEH, MACKERETH, MAITLAND, MANDERINO, MANN, McCALL, MELIO, R. MILLER, MUNDY, NICKOL, PISTELLA, REICHLEY, RUBLEY, SAINATO, SANTONI, SATHER, SAYLOR, SCAVELLO, SCHRODER, SCRIMENTI, SEMMEL, SHANER, B. SMITH, SOLOBAY, STABACK, STERN, SURRA, THOMAS, TIGUE, TURZAI, WALKO, WANSACZ, WASHINGTON, WATSON, WOJNAROSKI, WRIGHT, YOUNGBLOOD AND YUDICHAK, MARCH 19, 2003

REFERRED TO COMMITTEE ON EDUCATION, MARCH 19, 2003

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for approved
6 reimbursable rental for leases hereafter approved and
7 approved reimbursable sinking fund charges on indebtedness.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 2574(e) of the act of March 10, 1949
11 (P.L.30, No.14), known as the Public School Code of 1949,
12 amended July 10, 1987 (P.L.286, No.50), is amended and
13 subsections (b) and (c) are amended by adding clauses to read:

14 Section 2574. Approved Reimbursable Rental for Leases
15 Hereafter Approved and Approved Reimbursable Sinking Fund

1 Charges on Indebtedness.--* * *

2 (b) For new school buildings the approved building
3 construction cost shall be the lesser of

4 * * *

5 (4) For school buildings for which the general construction
6 contract is awarded on or after July 1, 2003, the product of the
7 rated pupil capacity as determined by the Department of
8 Education at the time the project is approved and (i) four
9 thousand seven hundred dollars (\$4,700) in the case of
10 elementary schools, (ii) six thousand two hundred dollars
11 (\$6,200) in the case of secondary schools, (iii) an amount in
12 the case of combined elementary-secondary schools obtained by
13 multiplying the rated elementary pupil capacity by four thousand
14 seven hundred dollars (\$4,700) and the rated secondary pupil
15 capacity by six thousand two hundred dollars (\$6,200) and
16 dividing the sum by the total rated pupil capacity.

17 (c) For additions or alterations to existing buildings
18 approved building construction cost shall be the lesser of

19 * * *

20 (4) For school buildings for which the general construction
21 contract is awarded on or after July 1, 2003, the difference
22 obtained by subtracting the appraisal value of the existing
23 building from the product of the rated pupil capacity of the
24 altered or expanded building as determined by the Department of
25 Education at the time the project is approved and (i) four
26 thousand seven hundred dollars (\$4,700) in the case of
27 elementary schools, (ii) six thousand two hundred dollars
28 (\$6,200) in the case of secondary schools, (iii) an amount in
29 the case of combined elementary-secondary schools obtained by
30 multiplying the rated elementary pupil capacity by four thousand

1 seven hundred dollars (\$4,700) and the rated secondary pupil
2 capacity by six thousand two hundred dollars (\$6,200) and
3 dividing the sum by the total rated pupil capacity of the
4 altered or expanded building.

5 * * *

6 (e) For area vocational-technical school and technical
7 institute projects leased subsequent to July 1, 1964, by or for
8 lease to a board of school directors authorized to operate such
9 a school, the Department of Education shall calculate an
10 approved reimbursable rental charge.

11 For area vocational-technical school and technical institute
12 projects constructed or purchased subsequent to July 1, 1964, by
13 a board of school directors authorized to operate such a school,
14 the Department of Education may calculate an approved
15 reimbursable sinking fund charge.

16 Approved reimbursable rental or sinking fund charge shall
17 consist of that part of the annual rental or sinking fund
18 attributable to:

19 (1) Cost of acquiring land and preparing it for use to the
20 extent that such costs are deemed reasonable by the Department
21 of Education and the interest on such cost of acquisition, cost
22 of preparation and the cost of sewage treatment and the interest
23 on such cost.

24 (2) Machinery, apparatus, furniture and equipment and all
25 other necessary expenses and interest charges, but excluding
26 architects' fees in excess of six percent of the construction
27 cost.

28 The approved building construction cost and the interest on
29 such construction cost shall not exceed the product of the rated
30 full-time pupil capacity, as determined by the Department of

1 Education at the time the project is approved and two thousand
2 two hundred dollars (\$2,200).

3 The provisions of the foregoing paragraph shall apply to all
4 school building projects for which the general construction
5 contract is awarded prior to July 1, 1966, and for approved
6 school building projects for which a lease was approved by the
7 Department of Education prior to July 1, 1966. For school
8 buildings for which the general construction contract is awarded
9 subsequent to July 1, 1966, and for approved school building
10 projects for which the general construction contract was awarded
11 but for which a lease was not approved by the Department of
12 Education prior to July 1, 1966, the approved building
13 construction cost and the interest on such construction cost
14 shall not exceed the product of the rated full-time pupil
15 capacity, as determined by the Department of Education at the
16 time the project is approved, and three thousand seven hundred
17 dollars (\$3700).

18 For school buildings for which the general construction
19 contract is awarded subsequent to July 1, 1984, and for approved
20 school building projects for which the general construction
21 contract was awarded but for which a lease or general obligation
22 bond resolution was not approved by the Department of Education
23 prior to July 1, 1984, the approved building construction cost
24 and the interest on such construction cost shall not exceed the
25 product of the rated full-time pupil capacity, as determined by
26 the Department of Education at the time the project is approved,
27 and six thousand three hundred dollars (\$6,300).

28 For school buildings for which the general construction
29 contract is awarded on or after July 1, 2003, the approved
30 building construction cost and the interest on such construction

1 cost shall not exceed the product of the rated full-time pupil
2 capacity, as determined by the Department of Education at the
3 time the project is approved, and seven thousand six hundred
4 dollars (\$7,600).

5 The Department of Education shall not approve the expenditure
6 of any funds borrowed or obtained by the sale of bonds by any
7 authority, nonprofit corporation, profit corporation, company or
8 individual for construction of area vocational-technical schools
9 or technical institutes for bleachers, athletic field, lighting
10 equipment or apparatus used to promote and conduct
11 interscholastic athletics.

12 * * *

13 Section 2. This act shall take effect July 1, 2003.