
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 717 Session of
2019

INTRODUCED BY STEFANO, BARTOLOTTA, SCARNATI, YAW AND J. WARD,
JUNE 5, 2019

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, JUNE 5, 2019

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for cancer control, prevention and
4 research, for ambulatory surgical center data collection, for
5 the Joint Underwriting Association, for entertainment
6 business financial management firms, for private dam
7 financial assurance and for reinstatement of item vetoes;
8 providing for the settlement, assessment, collection, and
9 lien of taxes, bonus, and all other accounts due the
10 Commonwealth, the collection and recovery of fees and other
11 money or property due or belonging to the Commonwealth, or
12 any agency thereof, including escheated property and the
13 proceeds of its sale, the custody and disbursement or other
14 disposition of funds and securities belonging to or in the
15 possession of the Commonwealth, and the settlement of claims
16 against the Commonwealth, the resettlement of accounts and
17 appeals to the courts, refunds of moneys erroneously paid to
18 the Commonwealth, auditing the accounts of the Commonwealth
19 and all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or
33 other moneys to the Commonwealth, or any agency thereof,
34 every State depository and every debtor or creditor of the

1 Commonwealth," in oil and gas wells, further providing for
2 legislative findings and for Oil and Gas Lease Fund and
3 establishing the Green Infrastructure Fund.

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

6 Section 1. Sections 1601.1-E and 1601.2-E(b)(1) of the act
7 of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code,
8 are amended to read:

9 Section 1601.1-E. Legislative findings.

10 The General Assembly finds and declares as follows:

11 (1) Revenue from the leasing of State land to extract
12 natural gas is necessary to obtain the revenue necessary to
13 effectuate the act of July 10, 2014 (P.L.3052, No.1A), known
14 as the General Appropriation Act of 2014.

15 (2) Leases utilized by the department include provisions
16 that are highly protective of the ecological integrity of
17 State forest lands and carefully crafted to minimize impacts
18 to rare and endangered plants, wildlife and their habitat and
19 the vast number of streams and watersheds that are part of
20 State forest and park lands.

21 (3) Leases utilized by the department for shale gas
22 provide for enhanced environmental and surface protections,
23 including:

24 (i) Increased setback distances from critical
25 recreation infrastructure, streams and water features,
26 State parks and designated wild and natural areas.

27 (ii) Limiting the amount of surface area disturbed,
28 prohibiting shallow well drilling and authorizing the
29 application of strict forestry resource management
30 principles.

31 (iii) Limiting the number of well pads allowed to be

1 constructed on the lease tract; providing for deep
2 drilling insurance; and prohibiting the development of
3 the ecologically sensitive areas, including designated
4 wild and natural areas and areas of special
5 consideration, without the department's prior written
6 approval.

7 (4) The department continually updates and employs best
8 management practices when managing oil and gas activities on
9 State forest lands to ensure that shale gas activities are
10 consistent with the recreational and ecological uses of State
11 forest.

12 (5) The department has implemented a Shale Gas
13 Monitoring Program to monitor, evaluate and report any
14 impacts of shale gas development on the State forest system.

15 (6) The fund is not a constitutional trust.

16 (6.1) The Green Infrastructure Fund is not a
17 constitutional trust.

18 (7) Money in the fund has increased exponentially from
19 the extraction of shale gas and the implementation of new gas
20 extraction techniques.

21 (8) The Commonwealth's role as trustee of the public's
22 natural resources is broader and more comprehensive than just
23 conserving the State forest and parks.

24 (9) The General Assembly affirms its intent that:

25 (i) The department should continue the operation of
26 the shale gas monitoring activities program to monitor,
27 evaluate and report the impacts of shale gas activities
28 in State forest and, in consultation with the Governor's
29 Office, utilize data received from ongoing monitoring to
30 adjust its management planning and practices.

1 (ii) The department should consider the State forest
2 and park lands as one of the Commonwealth's interests
3 when considering whether or not to lease additional State
4 forest and park lands and determining what is in the best
5 interests of the Commonwealth. Interest involved in
6 decisions relating to leasing State forest and park lands
7 should not be made to the exclusion of all other
8 interests of the Commonwealth.

9 (iii) Notwithstanding any other law to the contrary,
10 it is in the best interest of the Commonwealth to lease
11 oil and gas rights in State forests and parks if the
12 department:

13 (A) [in consultation with the Governor,]
14 continues strong and effective lease protections,
15 best management practices and ongoing monitoring
16 programs on the impact of gas operations; and

17 (B) maintains a balance of money in the fund and
18 the Green Infrastructure Fund to carry out the
19 department's statutory obligation to protect State
20 forest and park land and other environmental
21 activities.

22 (10) If a balance in the funds is adequate to achieve
23 the purposes of paragraph (9), transfers to the General Fund
24 are permissible.

25 Section 1601.2-E. Oil and Gas Lease Fund.

26 * * *

27 (b) Sources.--The following shall be deposited into the
28 fund:

29 (1) Rents and royalties from oil and gas leases of land
30 owned by the Commonwealth, except [rents]:

1 (i) Rents and royalties received from game and fish
2 lands.

3 (ii) Money deposited into the Green Infrastructure
4 Fund under section 1611-E(c).

5 * * *

6 Section 2. The act is amended by adding a section to read:
7 Section 1612-E. Green Infrastructure Fund.

8 (a) Establishment.--The Green Infrastructure Fund is
9 established as a separate fund in the State Treasury.

10 (b) Administration.--The Green Infrastructure Fund shall be
11 administered by the Commonwealth Financing Authority.

12 (c) Sources.--The following shall be deposited into the
13 Green Infrastructure Fund:

14 (1) Money deposited under section 1611-E(c).

15 (2) Money appropriated or transferred to the Green
16 Infrastructure Fund.

17 (3) Return on money in the Green Infrastructure Fund.

18 (4) Grants, gifts, donations and other payments from a
19 person or governmental entity to the Green Infrastructure
20 Fund.

21 (d) Use.--Money in the Green Infrastructure Fund shall be
22 awarded as grants to be used for:

23 (1) Blight remediation, if the blight to be replaced is
24 an environmental hazard or will be replaced with green space.

25 (2) Critical flood control infrastructure, to replace
26 high-hazard dams and conduct stream restoration and
27 maintenance.

28 (3) Storm water infrastructure, to replace or install
29 storm water systems.

30 (4) Paving and repairing of dirt and gravel roads,

1 including the reduction of sediment in the streams of this
2 Commonwealth.

3 (5) Outdoor recreational opportunities for residents at
4 State, county and municipal parks.

5 (6) Abandoned mine reclamation projects to improve
6 waters flowing into our waterways.

7 (e) Nonlapsing.--Money in the Green Infrastructure Fund
8 shall not lapse and shall be available in subsequent fiscal
9 years to be used in accordance with this section.

10 (f) Administrative fees.--No more than 2% of the money in
11 the Green Infrastructure Fund may be used to cover
12 administrative costs.

13 (g) Grants.--

14 (1) The Commonwealth Financing Authority shall create
15 guidelines and an application process for grants to be
16 awarded for the uses under subsection (d).

17 (2) Grants may be awarded on a pro rata basis if the
18 total dollar amount of the approved applications exceeds the
19 amount of funds available.

20 (3) The Commonwealth Financing Authority shall approve
21 or disapprove applications within 30 days of receipt of the
22 application. Applications which have not been approved or
23 disapproved within 60 days of receipt shall be deemed
24 approved.

25 (4) The Commonwealth Financing Authority shall ensure
26 that grant funding is geographically dispersed throughout
27 this Commonwealth.

28 (5) The Commonwealth Financing Authority may randomly
29 audit grant recipients to ensure the appropriate use of grant
30 funds.

1 (6) The following shall be eligible for grants under
2 this subsection:

3 (i) A county, municipality, council of governments,
4 watershed organization, land bank, redevelopment
5 authority, institution of higher education or nonprofit
6 organization.

7 (ii) An authorized organization as defined in 27
8 Pa.C.S. § 6103 (relating to definitions).

9 (h) Contributions.--The department may solicit and accept
10 gifts, donations, legacies and other money for deposit into the
11 Green Infrastructure Fund from a person or a government entity
12 on behalf of the Commonwealth.

13 Section 3. This act shall take effect in 60 days.