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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 327 Session of  
1997

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INTRODUCED BY ROHRER, MAITLAND, FICHTER, FAIRCHILD, BROWN,  
CORRIGAN, EGOLF, FARGO, BROWNE, LYNCH, ADOLPH, LEH, STERN,  
BENNINGHOFF, HUTCHINSON, GEIST AND E. Z. TAYLOR,  
FEBRUARY 5, 1997

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REFERRED TO COMMITTEE ON STATE GOVERNMENT, FEBRUARY 5, 1997

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AN ACT

1 Providing for spending limitations on the Commonwealth.

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

4 Section 1. Short title.

5 This act shall be known and may be cited as the Fiscal  
6 Responsibility Act of 1997.

7 Section 2. Spending limitations.

8 (a) General rule.--Total spending by the Commonwealth shall  
9 not exceed the spending limit in any fiscal year. The spending  
10 limit for any fiscal year shall be equal to the spending during  
11 the immediately prior fiscal year, adjusted by 100% of the  
12 average annual rate of change for the two preceding years of  
13 personal income in this Commonwealth as reported by the Federal  
14 Government. The Commonwealth's spending limit as provided in  
15 this subsection may be changed by the procedure outlined in  
16 section 1(a) of Article XI of the Constitution of Pennsylvania.

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

8 (c) Total spending.--Total spending by the Commonwealth  
9 means all appropriations and authorizations from the General  
10 Fund, the Public Transportation Assistance Fund and the Motor  
11 License Fund and funds created after the effective date of this  
12 act and shall exclude refunds, servicing of incurred bonded  
13 indebtedness, expenditures for funding the unfunded pension  
14 liabilities existing on the effective date of this section and  
15 the spending of Federal funds, gifts or receipts restricted by  
16 laws in effect as of January 1, 1997. This section shall not be  
17 circumvented by creating additional spending programs in or  
18 transferring spending from the General Fund or Motor License  
19 Fund to existing special funds or restricted receipt accounts.

20 Section 3. Applicability.

21 This act shall apply to the fiscal year beginning July 1,  
22 1997, and to each fiscal year thereafter.

23 Section 4. Effective date.

24 This act shall take effect immediately.