
 THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. **785** Session of
2017

 INTRODUCED BY SAYLOR, TURZAI AND MICCARELLI, MARCH 10, 2017

 SENATOR BROWNE, APPROPRIATIONS, IN SENATE, AS AMENDED,
JULY 8, 2017

AN ACT

1 Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An
2 act providing for borrowing for capital facilities;
3 conferring powers and duties on various administrative
4 agencies and officers; making appropriations; and making
5 repeals," in capital facilities, further providing for bonds,
6 issue of bonds and notes, maturity, interest and for
7 appropriation for and limitation on redevelopment assistance
8 capital projects ~~and for administration of redevelopment~~ <--
9 ~~assistance capital projects~~; and providing for capital
10 budgets.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Sections ~~307(c)(4.1) and 317~~ 307(C)(4.1) AND <--
14 317(B) of the act of February 9, 1999 (P.L.1, No.1), known as
15 the Capital Facilities Debt Enabling Act, are amended to read:
16 Section 307. Bonds, issue of bonds and notes, maturity,
17 interest.

18 * * *

19 (c) Terms and conditions.--

20 ~~(1) Except as set forth in subsection (a) or (b), the~~ <--
21 ~~terms and conditions of issue, redemption and maturity and~~

1 ~~time of payment of interest shall be as the issuing officials~~
2 ~~shall specify. Bonds of any series shall mature within a~~
3 ~~period not to exceed the estimated useful lives of the~~
4 ~~capital projects as stated in the debt authorizing act but~~
5 ~~not later than 30 years from the date of issuance.~~

6 ~~(2) The issuing officials shall provide for the~~
7 ~~amortization of the bonds in substantial and regular amounts~~
8 ~~over the term of the debt, but the first retirement of~~
9 ~~principal shall be stated to mature prior to the expiration~~
10 ~~of a period of time equal to one tenth of the time from the~~
11 ~~date of the first obligation issued to evidence the debt to~~
12 ~~the date of the expiration of the term of the debt.~~

13 ~~(3) [Retirements] (i) Except as provided in~~
14 ~~subparagraph (ii), retirements of principal shall be~~
15 ~~regular and substantial if made in annual or semiannual~~
16 ~~amounts whether by stated serial maturities or by~~
17 ~~mandatory sinking fund retirements computed in accordance~~
18 ~~with [either a level annual debt service plan as nearly~~
19 ~~as may be or upon] the equal annual maturities plan.~~

20 ~~(ii) Retirements of principal for funding bonds~~
21 ~~authorized under section 312 shall be regular and~~
22 ~~substantial if made in annual or semiannual amounts~~
23 ~~whether by stated serial maturities or by mandatory~~
24 ~~sinking fund retirements computed in accordance with~~
25 ~~either a level annual debt service plan as nearly as may~~
26 ~~be or upon the equal annual maturities plan.~~

27 ~~(4) If debt is incurred in one issue of bonds to provide~~
28 ~~funds for and towards the financial cost of capital projects~~
29 ~~having estimated useful lives of varying length, the~~
30 ~~following shall apply:~~

1 ~~(i) The aggregate of the financial costs shall be~~
2 ~~considered as the debt to be incurred for the purpose of~~
3 ~~fixing the regular and substantial amounts of principal~~
4 ~~to be retired.~~

5 ~~(ii) The term of the debt shall be to the end of the~~
6 ~~longest estimated useful life for the purpose of~~
7 ~~determining the first date for the retirement of~~
8 ~~principal. At the end of the estimated useful life of~~
9 ~~each project, the aggregate principal retirements~~
10 ~~required to be made at or before that date shall exceed:~~

11 ~~(A) the aggregate financial cost of all capital~~
12 ~~projects having the same or shorter estimated useful~~
13 ~~lives; or~~

14 ~~(B) if bonds are issued for less than the full~~
15 ~~financial cost of all projects being financed in the~~
16 ~~same category, a proportionate amount in each case.~~

17 * * *

<--

18 [(4.1) The issuing officials may enter into agreements
19 or contracts to insure or secure payment of principal,
20 interest or the purchase price of bonds which, in the
21 judgment of the issuing officials, will assist in managing
22 the interest costs of the debt of the Commonwealth.]

23 ~~(5) The issuing officials are authorized to carry out~~
24 ~~the provisions of this chapter relating to the issuance of~~
25 ~~bonds and shall determine all matters in connection with the~~
26 ~~issuance of bonds subject to the provisions hereof.~~

<--

27 * * *

28 * * *

<--

29 Section 317. Appropriation for and limitation on ~~redevelopment~~
30 ~~assistance~~ capital projects.

<--

<--

1 ~~(a) Appropriation. The amount necessary to pay principal of~~<--
2 ~~and interest on all obligations issued to provide funds for~~
3 ~~redevelopment assistance capital projects shall be appropriated~~
4 ~~from the General Fund and shall be transferred to the Capital~~
5 ~~Debt Fund upon authorization by the Governor. * * *~~ <--

6 ~~(b) Limitation on redevelopment assistance capital project~~ <--
7 ~~obligations.~~ (B) LIMITATION.-- <--

8 (1) The maximum amount of redevelopment assistance
9 capital projects undertaken by the Commonwealth for which
10 obligations are outstanding shall not exceed, in aggregate,
11 \$3,450,000,000. Beginning July 1, 2018, and each July 1 <--
12 \$3,450,000,000. <--

13 (2) BEGINNING JULY 1, 2018, AND EACH JULY 1 thereafter
14 until the sum of the outstanding obligations for
15 redevelopment assistance capital projects equals
16 \$2,950,000,000 \$3,200,000,000, the sum of the maximum amount <--
17 of outstanding obligations for redevelopment assistance
18 projects shall be decreased by \$50,000,000.

19 ~~(b.1) Limitation on additional capital project releases~~ <--
20 ~~financed by debt. Beginning July 1, 2017, and in each fiscal~~
21 ~~year thereafter, the following limitations on releasing~~
22 ~~additional capital projects for funding authorizations financed~~
23 ~~by debt shall apply:~~

24 ~~(1) The maximum amount of additional public improvement~~
25 ~~projects released for funding by the Commonwealth in a fiscal~~
26 ~~year shall not exceed \$350,000,000.~~

27 ~~(2) The maximum amount of additional redevelopment~~
28 ~~assistance capital projects released for funding by the~~
29 ~~Commonwealth in a fiscal year shall not exceed \$125,000,000.~~

30 ~~(b.2) Carry forward.~~

1 ~~(1) Subject to the limitations in paragraph (2), in any~~
2 ~~fiscal year in which the projects released for funding under~~
3 ~~subsection (b.1) (1) or (2) is less than the amount authorized~~
4 ~~for release under subsection (b.1) (1) or (2), the remaining~~
5 ~~amount may be carried forward and added to the following~~
6 ~~fiscal year limitation for projects released for funding~~
7 ~~under subsection (b.1) (1) or (2).~~

8 ~~(2) The amount carried forward under paragraph (1) may~~
9 ~~not exceed half of the total amount authorized to be released~~
10 ~~for funding in that project category for the previous fiscal~~
11 ~~year.~~

12 ~~(c) Housing units. An amount not to exceed \$50,000,000 of~~
13 ~~the amount under subsection (b) may be used for the construction~~
14 ~~of housing units.~~

15 ~~Section 2. Section 318(a.3) of the act is amended by adding~~
16 ~~a paragraph and the section is amended by adding subsections to~~
17 ~~read:~~

18 ~~Section 318. Administration of redevelopment assistance capital~~
19 ~~projects.~~

20 ~~* * *~~

21 ~~(a.3) Acceptance and grant agreement. Within 30 days of~~
22 ~~receiving notification of approval under subsection (a.2), an~~
23 ~~applicant shall notify the office if the applicant accepts the~~
24 ~~grant. If the applicant notifies the office that it intends to~~
25 ~~accept the grant, the office shall forward to the applicant a~~
26 ~~grant agreement to be executed by the applicant. The grant~~
27 ~~agreement and any attachments thereto shall include the~~
28 ~~following:~~

29 ~~* * *~~

30 ~~(4.1) A signed affidavit stating that the applicant will~~

1 ~~hold at least one public informational meeting as provided~~
2 ~~under subsection (l) for the project and an additional public~~
3 ~~informational meeting as necessary under subsection (m) for~~
4 ~~the project.~~

5 * * *

6 ~~(l) Public informational meeting. Before the construction~~
7 ~~of an approved redevelopment assistance capital project, at~~
8 ~~least one public informational meeting shall be held within a~~
9 ~~ten mile radius of the project site. If no suitable venue is~~
10 ~~available within a ten mile radius of the project site, the~~
11 ~~Secretary of the Budget, in consultation with the applicant and~~
12 ~~the State Senator and the State Representative of the district~~
13 ~~where the project will be located, may expand the radius by a~~
14 ~~reasonable distance. Any expenses for the public informational~~
15 ~~meeting shall be paid by the applicant.~~

16 ~~(m) Additional requirements. If an applicant significantly~~
17 ~~alters an approved redevelopment assistance capital project~~
18 ~~after a contract has been executed, the applicant shall hold an~~
19 ~~additional public informational meeting before construction for~~
20 ~~the purposes of discussing with the public the alteration to the~~
21 ~~project.~~

22 * * *

<--

23 Section 3 2. The act is amended by adding a chapter to read: <--

24 CHAPTER 6

25 CAPITAL BUDGETS

26 SUBCHAPTER A

27 SCOPE OF CHAPTER

28 Section 601. Scope of chapter.

29 This chapter applies to capital budgets for particular fiscal
30 years.

SUBCHAPTER B

CAPITAL BUDGET ACT OF ~~2016-2017~~ 2017-2018

<--

Section 611. Short title.

This subchapter shall be known and may be cited as the Capital Budget Act of ~~2016-2017~~ 2017-2018.

<--

Section 612. Overall limitations on debt to be incurred for capital projects.

The maximum principal amount of additional debt to be incurred during the ~~2016-2017~~ 2017-2018 fiscal year and thereafter until the enactment of the ~~2017-2018~~ 2018-2019 capital budget specifying the maximum debt for the ~~2017-2018~~ 2018-2019 fiscal year for capital projects specifically itemized in a capital budget pursuant to section 7(a)(4) of Article VIII of the Constitution of Pennsylvania and the fund to be charged with the repayment of such debt shall, with respect to each category of capital projects, be as follows:

<--

<--

<--

<--

<u>Category</u>	<u>Amount</u>	<u>Fund</u>
(1) Public improvement projects:		
(i) Buildings and structures	\$325,000,000	General Fund or Special Fund as applicable
(2) Transportation assistance projects	175,000,000	General Fund
<u>Total</u>	<u>\$500,000,000</u>	

<--

(1) PUBLIC IMPROVEMENT

<--

PROJECTS:

(I) BUILDINGS AND

STRUCTURES \$875,000,000 GENERAL FUND OR

1			<u>SPECIAL FUND AS</u>
2			<u>APPLICABLE</u>
3	<u>(2) FURNITURE AND</u>		
4	<u>EQUIPMENT</u>	<u>10,000,000</u>	<u>GENERAL FUND OR</u>
5			<u>SPECIAL FUND AS</u>
6			<u>APPLICABLE</u>
7	<u>(3) TRANSPORTATION</u>		
8	<u>ASSISTANCE PROJECTS</u>	<u>350,000,000</u>	<u>GENERAL FUND</u>
9	<u>(4) REDEVELOPMENT</u>		
10	<u>ASSISTANCE PROJECTS</u>	<u>200,000,000</u>	<u>GENERAL FUND</u>
11	<u>(5) FLOOD CONTROL</u>		
12	<u>PROJECTS</u>	<u>10,000,000</u>	<u>GENERAL FUND</u>
13	<u>TOTAL</u>	<u>\$1,445,000,000</u>	

14 Section 4 3. This act shall take effect ~~as follows:~~ <--

15 ~~(1) The amendment or addition of sections 307(c), 317-~~
16 ~~and 318(a.3)(4.1), (1) and (m) shall take effect in 60 days.~~

17 ~~(2) The remainder of this act shall take effect-~~
18 immediately.