



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 110

PRINTERS NO. 2778

PRIME SPONSOR: Warner

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	\$1,300,000 to \$1,500,000

SUMMARY: House Bill 110, Printer's Number 2778, proposes an amendment to the Constitution of the Commonwealth of Pennsylvania providing for spending limitations on the Commonwealth.

ANALYSIS: Article VIII of the Pennsylvania Constitution provides for taxation and finance of the Commonwealth. This legislation adds Section 18 to Article VIII providing that total spending by the Commonwealth would be restricted to an increase over the prior fiscal year equal to the sum of (1) the average percentage increase in the consumer price index for the three preceding calendar years and (2) the average percentage increase in population in the Commonwealth for the three preceding calendar years. Total spending of the Commonwealth means all appropriations and authorizations from the General Fund excluding refunds, Federal funds, gifts or receipts restricted by laws in effect as of January 1 of the year in which the amendment is ratified and approved by the electorate. Total spending shall not be circumvented by transferring spending from the General Fund to special funds or restricted receipt accounts. The percentage increase in the spending limitation in any fiscal year may be increased only by the affirmative vote of three-fourths of the members elected to each House of the General Assembly.

In order to amend the Constitution, legislation proposing the amendment must be passed by the General Assembly in two consecutive legislative sessions. Article XI, Section 1, of the Constitution requires that the Secretary of the Commonwealth publish the proposed amendment, three months before the next general election, in two newspapers in every county in which newspapers are published upon each passage by the General Assembly.

FISCAL IMPACT: Based on estimates provided by the Office of the Budget, the enactment of this bill will result in advertising costs to the Commonwealth of approximately \$1,300,000 to \$1,500,000 for a full page of advertising space in the required publication of the proposed Constitutional amendment.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: December 5, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.