



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1316

PRINTERS NO. 1535

PRIME SPONSOR: Warner

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$1,300,000 to \$1,500,000	\$0

SUMMARY: House Bill 1316, printer's number 1535, proposes an amendment to the Constitution of the Commonwealth of Pennsylvania providing for spending limitations on the Commonwealth.

ANALYSIS: Article VIII of the Constitution of the Commonwealth of Pennsylvania provides for taxation and finance of the Commonwealth. This legislation proposes to add Section 18 to Article VIII to provide 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 of the percentage change in the consumer price index for all urban consumers for the three preceding calendar years and (2) the average of the percentage change 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 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. This legislation would be the first passage of the proposed Article VIII amendment.

Article XI, Section 1, of the Constitution requires the Secretary of the Commonwealth to 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, for each round of advertising, of approximately \$1,300,000 to \$1,500,000 for a full page of advertising space for the required publication of the proposed Constitutional amendment.

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House Appropriations Committee (R)

DATE: September 20, 2019

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