



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 71

PRINTERS NO. 47

PRIME SPONSOR: Warner

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	\$500,000 to \$1,000,000

**SUMMARY:** House Bill 71, Printer's Number 47, 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 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 of the percentage change in the annual U.S. consumer price index for all urban consumers for the immediately preceding three calendar years and (2) the average of the percentage change in resident population in the Commonwealth, as reported by the U.S. Census Bureau for July 1 of each year, for the immediately preceding three calendar years. Total spending of the Commonwealth means all appropriations and authorizations from the General Fund and shall exclude 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 two-thirds 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.

**FISCAL IMPACT:** Article XI, Section 1, of the Constitution of the Commonwealth of Pennsylvania requires that a proposed amendment to the Constitution be advertised in two newspapers in each county after first and second passage by the General Assembly. Passage of this bill by the General Assembly would constitute first passage of the proposed amendment. Second passage in the next session of the General Assembly would then require the proposed amendment to be submitted to the electorate.

According to the Department of State, costs for the first round of three monthly advertisements prior to an election range between \$500,000 and \$1,000,000. Should the length of the amendment wording require additional print space, the advertising costs could be higher.

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**DATE:** April 13, 2022

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