


MICHAEL PEIFER, MEMBER
MAIN CAPITOL BUILDING
PO BOX 202139
HARRISBURG PA 17120-2139
PHONE: (717) 783-2037



DISTRICT OFFICE
32 COMMERCIAL STREET
HONESDALE PA 18431
PHONE: (570) 253-5533

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

MEMORANDUM

TO: All House Members
FROM: Representative Mike Peifer 
DATE: December 14, 2010
SUBJECT: Co-sponsorship - Deposits of the Rainy Day Fund

In the near future, I plan to introduce legislation that will provide the necessary boost to our efforts in providing long-term financial stability to the Commonwealth, while also contributing to property tax relief to homeowners across Pennsylvania.

In an effort to save a portion of the budget surplus funds, the General Assembly created the Budget Stabilization Reserve Fund, commonly known as the "Rainy Day Fund." The intent of this fund is to have adequate financial resources readily available in case of an economic quandary. Currently, when the Commonwealth is operating with a budget surplus, 25% of the funds are deposited to the Rainy Day Fund. The amount deposited into the Rainy Day Fund may not exceed 6% of the General Fund revenues for the fiscal year in which the surplus occurs.

If enacted, my legislation would mandate that 50% of surplus funds be deposited into the Rainy Day Fund and the fund would be permitted to accumulate to 10% of the total revenues of the General Fund. Furthermore, my legislation would provide that any available surplus funds that exceed the 10% threshold would be deposited into the Property Tax Relief Fund.

Please join me in providing for a more fruitful economic future for Pennsylvania. If you wish to co-sponsor this important piece of legislation please contact Barb Dysard in my Harrisburg office at 783-2037 or bdysard@pahousegop.com.