

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, providing for
3 Commonwealth capital improvement plans, for duties of State
4 agencies, for debt limit for capital projects, for
5 prohibition on exceeding debt limit for capital projects and
6 for legislative oversight.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Title 72 of the Pennsylvania Consolidated
10 Statutes is amended by adding parts to read:

11 PART I

12 PRELIMINARY PROVISIONS

13 (Reserved)

14 PART II

15 TAXATION

16 Chapter

17 17. (Reserved)

18 PART III

19 FISCAL AFFAIRS

1 CHAPTER 100

2 CAPITAL PROJECTS

3 Subchapter

4 A. General Provisions

5 B. Capital Improvement Plans

6 SUBCHAPTER A

7 GENERAL PROVISIONS

8 Sec.

9 10001. Definitions.

10 § 10001. Definitions.

11 The following words and phrases when used in this chapter
12 shall have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Capital project." Any of the following:

15 (1) A project which is financed or funded or is proposed
16 to be financed or funded by the issuance of bonds, notes or
17 other evidences of indebtedness of the Commonwealth or a
18 State agency.

19 (2) A project which is financed or funded or is proposed
20 to be financed or funded by an appropriation in the General
21 Appropriation Act and designated as a capital expenditure by
22 the laws of this Commonwealth or under standards prescribed
23 by the State Treasurer.

24 "Legislative action." Any of the following:

25 (1) A vote by a standing committee of the Senate to
26 report a capital budget bill out of the standing committee of
27 the Senate.

28 (2) A vote of a standing committee of the House of
29 Representatives to report a capital budget bill out of the

1 standing committee of the House of Representatives.

2 "Plan." The Commonwealth capital improvement plan prepared
3 under section 10002 (relating to Commonwealth capital
4 improvement plans).

5 "State agency." An executive or administrative department,
6 office, public authority or other instrumentality of the
7 Commonwealth. The term includes a board, commission or agency of
8 the Commonwealth that is authorized to incur debt or issue bonds
9 under the seal of the board, commission or agency.

10 SUBCHAPTER B

11 CAPITAL IMPROVEMENT PLANS

12 Sec.

13 10002. Commonwealth capital improvement plans.

14 10003. Duties of State agencies.

15 10004. Debt limit for capital projects.

16 10005. Prohibition on exceeding debt limit for capital
17 projects.

18 10006. Legislative oversight.

19 § 10002. Commonwealth capital improvement plans.

20 (a) Duties of Governor.--

21 (1) The Governor shall annually prepare a Commonwealth
22 capital improvement plan containing the Governor's proposals
23 for expenditures on capital projects. No later than February
24 1 of each year, the Office of the Budget shall post the plan
25 on the Office of the Budget's publicly accessible Internet
26 website for review and comment by the public.

27 (2) No later than February 1 of each year, the Governor
28 shall submit a copy of the plan to the State Treasurer,
29 Auditor General, Independent Fiscal Office and members of the

1 General Assembly.

2 (b) Contents of plan.--The plan shall include all of the
3 following:

4 (1) A detailed list of capital projects that the
5 Governor recommends to be commenced, continued or completed
6 by each State agency within the next three fiscal years.

7 (2) The fiscal impact of the capital projects
8 recommended under paragraph (1) on future operating expenses
9 of the Commonwealth, including the Governor's recommendations
10 on methods to fund the capital projects, and the
11 prioritization of the capital projects.

12 (3) A schedule for the next fiscal year of the
13 Governor's recommendations for the appropriation of funds
14 from the issuance of bonds authorized under the laws of this
15 Commonwealth.

16 (4) A review of capital projects that have recently been
17 commenced, continued or completed or are in the process of
18 being commenced, continued or completed.

19 (5) The Governor's recommendations on the maintenance of
20 each State agency's physical properties and equipment of
21 State agencies.

22 (6) The Governor's recommendations on the use of
23 properties specified under section 10003(7) (relating to
24 duties of State agencies).

25 (7) A report on the cost of the Commonwealth's overall
26 debt for the previous fiscal year and the current fiscal year
27 and the estimated cost for the next five fiscal years,
28 including all of the following:

29 (i) The outstanding general obligation debt and debt

1 service costs.

2 (ii) The costs of leases and installment obligations
3 for capital projects.

4 (iii) The costs of long-term liabilities as recorded
5 in a schedule of long-term debt changes, including bonded
6 and nonbonded debt changes, in the Commonwealth's annual
7 comprehensive financial report under section 701 of the
8 act of April 9, 1929 (P.L.177, No.175), known as The
9 Administrative Code of 1929.

10 (iv) The unfunded actuarial accrued liability for
11 the Commonwealth's retirement systems and postretirement
12 medical and other benefits.

13 (8) An assessment of the Commonwealth's ability to
14 increase the Commonwealth's overall debt and the Governor's
15 recommendation on the amount of the increase in the
16 Commonwealth's overall debt. In developing the assessment and
17 recommendation under this paragraph, the Governor shall
18 consider the criteria used by municipal securities rating
19 services in rating the Commonwealth debt obligations and any
20 other information that the Governor deems relevant to the
21 assessment and recommendation.

22 (9) The certified debt limit for capital projects under
23 section 10004 (relating to debt limit for capital projects).

24 § 10003. Duties of State agencies.

25 No later than October 15 of each year, a State agency shall
26 provide the Governor and the members of the General Assembly
27 with all of the following:

28 (1) A detailed list of capital projects that the State
29 agency seeks to commence, continue or complete for the State

1 agency's purposes in the next three fiscal years.

2 (2) The impact of the capital projects under paragraph
3 (1) on future operating expenses of the State agency and
4 relevant supporting data.

5 (3) Economic forecasts of the State agency's capital
6 projects that will be commenced, continued or completed in
7 the four fiscal years after the capital projects under
8 paragraph (1) are completed as may be necessary for all of
9 the following:

10 (i) The adequate presentation of the State agency's
11 capital projects.

12 (ii) Compiling a schedule for the planning,
13 implementation or construction of the State agency's
14 capital projects.

15 (4) A schedule for the next fiscal year of the State
16 agency's requested appropriations of funds from the issuance
17 of bonds authorized under the laws of this Commonwealth.

18 (5) A report with information on the State agency's
19 capital projects that have been recently commenced, continued
20 or completed or are in the process of being commenced,
21 continued or completed.

22 (6) A report with information on the maintenance of the
23 State agency's physical properties and capital equipment.

24 (7) The status of real property owned or leased by the
25 State agency and the current or future availability of the
26 real property for other uses by the Commonwealth.

27 (8) Any other information requested by the Governor or a
28 member of the General Assembly regarding the State agency's
29 capital projects.

1 § 10004. Debt limit for capital projects.

2 (a) Certification.--No later than December 1 of each year,
3 the Auditor General shall certify the debt limit for capital
4 projects funded by the issuance of bonds for the previous fiscal
5 year to ensure that the cost does not cause the amount of all of
6 the Commonwealth's net debt outstanding to exceed one and three-
7 quarters times the average of the annual tax revenues deposited
8 in the previous five fiscal years in accordance with section 7
9 of Article VIII of the Constitution of Pennsylvania. The Auditor
10 General shall provide the certification to the Governor, State
11 Treasurer and Independent Fiscal Office and post the
12 certification on the Department of the Auditor General's
13 publicly accessible Internet website.

14 (b) Quarterly analysis.--The Auditor General shall provide a
15 quarterly analysis of the debt limit for capital projects under
16 subsection (a) to the Governor, State Treasurer and Independent
17 Fiscal Office and post the quarterly analysis on the Department
18 of the Auditor General's publicly accessible Internet website.

19 § 10005. Prohibition on exceeding debt limit for capital
20 projects.

21 In order to enforce the provisions of section 7 of Article
22 VIII of the Constitution of Pennsylvania, all of the following
23 apply:

24 (1) The General Assembly shall not pass a capital budget
25 bill with expenditures that exceed the debt limit certified
26 by the Auditor General under section 10004 (relating to debt
27 limit for capital projects).

28 (2) The Governor shall not approve a capital budget bill
29 with expenditures that exceed the debt limit certified by the

1 Auditor General under section 10004.

2 (3) The State Treasurer shall not pay for expenditures
3 in a capital budget bill with expenditures that exceed the
4 debt limit certified by the Auditor General under section
5 10004.

6 § 10006. Legislative oversight.

7 (a) Hearings.--The Appropriations Committee of the Senate
8 and the Appropriations Committee of the House of Representatives
9 shall hold no fewer than three hearings on the plan before
10 taking legislative action on a capital budget bill.

11 (b) Fiscal notes.--A copy of the certification under section
12 10004(a) (relating to debt limit for capital projects) shall be
13 attached as part of the fiscal note for a capital budget bill.

14 Section 2. This act shall take effect immediately.