

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, providing for budgetary
3 procedures; and establishing the Joint Revenue Estimation
4 Committee.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Title 72 of the Pennsylvania Consolidated
8 Statutes is amended by adding a part to read:

9 PART I

10 BUDGETARY PROCEDURES

11 Chapter

12 1. (Reserved)

13 3. Joint Revenue Estimation Committee

14 CHAPTER 1

15 (Reserved)

16 CHAPTER 3

17 JOINT REVENUE ESTIMATION COMMITTEE

18 Sec.

- 1 301. Definitions.
- 2 302. Joint Revenue Estimation Committee.
- 3 303. Meetings.
- 4 304. Revenue estimates.
- 5 305. Initial revenue estimate.
- 6 306. Revenue estimate error rates.
- 7 307. Presentation of revenue estimate.

8 § 301. Definitions.

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

12 "Committee." The Joint Revenue Estimation Committee
13 established under section 302 (relating to Joint Revenue
14 Estimation Committee).

15 "Department." The Department of Revenue of the Commonwealth.

16 "Secretary." The Secretary of Revenue of the Commonwealth.

17 § 302. Joint Revenue Estimation Committee.

18 (a) Establishment.--The Joint Revenue Estimation Committee
19 is established and shall be convened by the secretary no later
20 than the first week of February following the beginning of each
21 legislative session of the General Assembly.

22 (b) Membership.--The committee shall be comprised of the
23 following members:

24 (1) The secretary.

25 (2) The Secretary of the Budget.

26 (3) The chairperson of the Appropriations Committee of
27 the Senate.

28 (4) The minority chairperson of the Appropriations
29 Committee of the Senate.

30 (5) The chairperson of the Appropriations Committee of

1 the House of Representatives.

2 (6) The minority chairperson of the Appropriations
3 Committee of the House of Representatives.

4 (7) One resident appointed by the Governor.

5 (8) One resident appointed by the President pro tempore
6 of the Senate.

7 (9) One resident appointed by the Speaker of the House
8 of Representatives.

9 (10) One resident appointed by the Minority Leader of
10 the Senate.

11 (11) One resident appointed by the Minority Leader of
12 the House of Representatives.

13 (12) The Director of the Independent Fiscal Office as an
14 ex officio member.

15 (c) Staff.--The committee shall be staffed by employees of
16 the department who shall prepare any documents requested by a
17 member of the committee.

18 § 303. Meetings.

19 The committee shall meet at least once a month to discuss
20 changes in the revenue collected by the Commonwealth during the
21 current month and the fiscal year compared to the most recently
22 released estimate made by the committee.

23 § 304. Revenue estimates.

24 (a) Preparation of estimates.--Twice each fiscal year, by
25 December 16 and May 15, the committee shall prepare a joint
26 estimate of revenue for the General Fund. The estimate shall
27 include revenue the Commonwealth can anticipate collecting for
28 the current fiscal year and the ensuing fiscal year.

29 (b) Approval.--No revenue estimate may be approved without
30 being approved by 11 members of the committee. The following

1 shall apply:

2 (1) If, prior to final adjournment of any regular
3 legislative session of the General Assembly, a law is enacted
4 providing for additional or less money to be deposited into
5 the General Fund, the committee shall prepare a joint
6 estimate of those revenues.

7 (2) The committee may release a revised revenue estimate
8 90 days following the release of an approved revenue estimate
9 under subsection (a) only if the estimate is approved by 11
10 members of the committee.

11 (c) Submission.--The committee shall submit the revenue
12 estimates to the Governor, General Assembly, State Treasurer and
13 Independent Fiscal Office.

14 (d) Failure to approve estimate.--If the committee fails to
15 approve a revenue estimate under this section, the Governor and
16 the General Assembly shall utilize the revenue estimates of the
17 Independent Fiscal Office for approving General Fund
18 expenditures.

19 § 305. Initial revenue estimate.

20 The secretary shall convene the committee, which shall
21 release a revenue estimate for the current fiscal year and
22 ensuing fiscal year within 30 days of the effective date of this
23 section. If the committee is unable to agree on a revenue
24 estimate under section 304 (relating to revenue estimates), the
25 Governor and the General Assembly shall use a revenue estimate
26 from the Independent Fiscal Office to enact General Fund
27 expenditures for the ensuing fiscal year.

28 § 306. Revenue estimate error rates.

29 The committee shall provide a public report on the error
30 rates of the previous fiscal year revenue estimates no later

1 than October 1 of the following fiscal year. Revenue error rates
2 for each tax may not be greater than 3%. If an error rate is
3 greater than 3%, the committee shall develop a new model to
4 ensure error rates remain under 3%.

5 § 307. Presentation of revenue estimate.

6 (a) General rule.--The December revenue estimate prepared
7 under section 304(a) (relating to revenue estimates) shall be
8 included in the presentation of the budget to the General
9 Assembly by the Governor under section 619 of the act of April
10 9, 1929 (P.L.177, No.175), known as The Administrative Code of
11 1929.

12 (b) Contents.--The revenue estimate submitted with the
13 budget shall include all of the following:

14 (1) The committee error rate.

15 (2) The highest revenue the Commonwealth could collect
16 the following fiscal year based on the committee error rate.

17 (3) The lowest revenue the Commonwealth could collect
18 the following fiscal year based on the committee error rate.

19 Section 2. This act shall take effect immediately.