

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 285

Session of  
1985

INTRODUCED BY FEE, PIEVSKY, DOMBROWSKI, LAUGHLIN, MANDERINO, COLAFELLA, CLARK, PRATT, IRVIS, D. R. WRIGHT, VEON, BOWSER, O'DONNELL, STUBAN, BALDWIN, SHOWERS, ACOSTA, AFFLERBACH, ANGSTADT, ARGALL, ARTY, BARBER, BATTISTO, BELARDI, BELFANTI, BIRMELIN, BLACK, BLAUM, BOOK, BORTNER, BOWLEY, BOYES, BROUJOS, BUNT, BURD, BURNS, BUSH, CALTAGIRONE, CAPPABIANCA, CARLSON, CARN, CAWLEY, CESSAR, CHADWICK, CIMINI, CIVERA, CLYMER, COHEN, COLE, CORDISCO, CORNELL, COSLETT, COWELL, COY, DALEY, DAVIES, DEAL, DeLUCA, DeVERTER, DIETZ, DININNI, DISTLER, DONATUCCI, DORR, DUFFY, DURHAM, EVANS, FARGO, FATTAH, FISCHER, FLICK, A. C. FOSTER, JR., FOX, FREEMAN, FREIND, FRYER, GALLAGHER, GALLEN, GAMBLE, GANNON, GEIST, GEORGE, GLADECK, GODSHALL, GREENWOOD, GRUITZA, GRUPPO, HAGARTY, HALUSKA, HARPER, HASAY, HAYES, HERMAN, HONAMAN, HOWLETT, HUTCHINSON, ITKIN, JACKSON, JAROLIN, JOHNSON, JOSEPHS, KASUNIC, KENNEDY, KENNEY, KOSINSKI, KUKOVICH, LANGTRY, LASHINGER, LESCOVITZ, LETTERMAN, LEVDANSKY, LEVIN, LINTON, LIVENGOOD, LLOYD, LUCYK, MACKOWSKI, MAIALE, MANMILLER, MARKOSEK, MAYERNIK, McCALL, McCLATCHY, McHALE, McVERRY, MERRY, MICHLOVIC, MICOZZIE, MILLER, MOEHLMANN, MORRIS, MOWERY, MRKONIC, NAHILL, NOYE, O'BRIEN, OLASZ, OLIVER, PERZEL, PETRARCA, PETRONE, PHILLIPS, PISTELLA, PITTS, POTT, PRESSMANN, PRESTON, PUNT, RAYMOND, REBER, REINARD, RICHARDSON, RIEGER, ROBBINS, RUDY, RYAN, RYBAK, SALOOM, SAURMAN, SEMMEL, SERAFINI, SEVENTY, SIRIANNI, B. SMITH, L. E. SMITH, D. W. SNYDER, G. M. SNYDER, STABACK, STAIRS, STEIGHNER, STEVENS, STEWART, SWEET, E. Z. TAYLOR, F. E. TAYLOR, J. J. TAYLOR, TELEK, TIGUE, TRELLO, TRUMAN, VAN HORNE, WAMBACH, WASS, WESTON, WIGGINS, WILLIAMS, WILSON, WOGAN, WOZNIAK, J. L. WRIGHT, R. C. WRIGHT AND YANDRISEVITS, FEBRUARY 6, 1985

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, JUNE 27, 1985

AN ACT

- 1 Creating a special fund in the Treasury Department for use in  
2 attracting major industry into this Commonwealth; ~~AND~~ <—  
3 establishing a procedure for the appropriation and use of  
4 moneys in the fund; ~~and making an appropriation; ESTABLISHING~~ <—

1 THE TAX STABILIZATION RESERVE FUND; AND PROVIDING FOR  
2 EXPENDITURES FROM SUCH ACCOUNT.

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18 The General Assembly of the Commonwealth of Pennsylvania  
19 hereby enacts as follows:

20 CHAPTER 1

21 SUNNY DAY FUND

22 Section ~~1~~ 101. Short title. <—

23 This ~~act~~ CHAPTER shall be known and may be cited as the Sunny <—  
24 Day Fund Act.

25 Section ~~2~~ 102. Findings and declaration of policy. <—

26 (a) Findings.--It is hereby determined and declared as a  
27 matter of legislative finding and intent:

28 (1) That involuntary unemployment and its resulting  
29 burden of indigency falls with crushing force upon the  
30 unemployed worker and upon counties, cities, boroughs and

1 other local governmental jurisdictions, reducing their tax  
2 base and impairing their financial ability to support  
3 education and other governmental services.

4 (2) That the problem of unemployment, and its  
5 debilitating effects, has not been eliminated since the  
6 increased level of the economy has not FULLY reached all ←  
7 areas of this Commonwealth, nor has the economy of this  
8 Commonwealth as a whole reached the level of the national  
9 economy.

10 (3) That the present and prospective health, safety,  
11 morals, ~~right to~~ OPPORTUNITY FOR gainful employment and ←  
12 general welfare of the people of this Commonwealth ~~requires~~ ←  
13 MAKES DESIRABLE, as a public purpose, the promotion and ←  
14 development of large new industrial, manufacturing or  
15 research and development enterprises.

16 (4) That while the Commonwealth has recently put in  
17 place the best set of programs for small business available  
18 in any state, there ~~is no program or~~ MAY NOT BE programs ←  
19 available which ~~has~~ HAVE enough resources available to ←  
20 attract firms with large numbers of new jobs available.

21 (b) Declaration of policy.--It is, therefore, declared to be  
22 the policy of the Commonwealth to promote the health, safety,  
23 morals, right to gainful employment and general welfare of the  
24 inhabitants by the creation of a special account in the Treasury  
25 Department, to be known as the Sunny Day Fund, which shall exist  
26 for the public purpose of alleviating unemployment by attracting  
27 large industrial, manufacturing or research and development  
28 plants into this Commonwealth.

29 Section 3 103. Definitions. ←

30 The following words and phrases when used in this act CHAPTER ←

1 shall have the meanings given to them in this section unless the  
2 context clearly indicates otherwise:

3 "Fund." The Sunny Day Fund created by this ~~act~~ CHAPTER. ←

4 "Industrial enterprise." An enterprise other than a  
5 mercantile, commercial or retail enterprise which, by virtue of  
6 its size, requires substantial capital and which, by its nature,  
7 will create substantial employment opportunities.

8 "Manufacturing enterprise." An enterprise which is engaged  
9 in the giving of new shapes, new qualities or new combinations  
10 to matter by the application of processes which will generate  
11 substantial employment.

12 "Research and development enterprise." An enterprise for the  
13 discovery of new and the refinement of known substances,  
14 processes, products, theories and ideas, which will create  
15 substantial employment opportunities.

16 Section 4 104. Operation of fund. ←

17 (a) Source of funds.--There is hereby created a special fund  
18 in the Treasury Department to be known as the Sunny Day Fund.  
19 Moneys to be deposited in the fund shall be appropriated by the  
20 General Assembly, and any interest income derived from those  
21 moneys shall be deposited into the fund. Moneys in the fund  
22 shall remain until appropriated and expended as specified in  
23 subsection (b).

24 (b) Use of funds.--Moneys in the fund shall be available, ←  
25 ~~upon appropriation,~~ to the Governor and the Department of  
26 Commerce in their efforts to attract industrial, manufacturing  
27 or research and development enterprises to this Commonwealth, ←  
28 UPON APPROVAL OF AN APPROPRIATION BILL BY A VOTE OF TWO-THIRDS  
29 OF THE MEMBERS ELECTED TO THE SENATE AND THE HOUSE OF  
30 REPRESENTATIVES. Whenever the Governor determines that money

1 from this fund is necessary to attract a major enterprise to  
2 this Commonwealth, he shall present a request for an  
3 appropriation, along with the specifics of the total proposal  
4 and such suggested ancillary and substantive legislation as may  
5 be necessary, to the chairmen of the House and Senate  
6 Appropriations Committees. The General Assembly may then  
7 appropriate money from the fund in the manner it determines  
8 necessary to accomplish the purposes set forth in the Governor's  
9 proposal. Any money appropriated according to this section which  
10 is then lapsed shall return to the fund.

11 ~~Section 5. Appropriation.~~ <—

12 ~~The sum of \$25,000,000 is hereby appropriated from the~~  
13 ~~General Fund to be deposited into the Sunny Day Fund to be used~~  
14 ~~for the purposes set forth in this act.~~

15 CHAPTER 2 <—

16 TAX STABILIZATION RESERVE FUND

17 SECTION 201. SHORT TITLE.

18 THIS CHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE TAX  
19 STABILIZATION RESERVE FUND ACT.

20 SECTION 202. LEGISLATIVE FINDINGS AND CONCLUSIONS.

21 (A) FINDINGS.--THE GENERAL ASSEMBLY OF THE COMMONWEALTH  
22 HEREBY FINDS THAT:

23 (1) ECONOMIC UNCERTAINTY ARISING FROM NATIONAL AND  
24 INTERNATIONAL EVENTS OVER WHICH THE COMMONWEALTH CANNOT  
25 EXERCISE CONTROL IMPAIRS THE ABILITY OF THE COMMONWEALTH TO  
26 ACCURATELY PREDICT ITS ANTICIPATED REVENUES AND EXPENDITURES.

27 (2) OVERESTIMATES OF REVENUES AND UNDERESTIMATES OF  
28 EXPENDITURES CAN CREATE SERIOUS SHORT-TERM DEFICITS WHICH  
29 GENERATE THE NEED FOR DEFICIENCY APPROPRIATIONS AND TAX  
30 INCREASES.

1           (3) FINANCING SHORT-TERM DEFICITS CREATED BY ECONOMIC  
2           UNCERTAINTY IN THE PAST HAS LED TO EXCESSIVE TAX INCREASES  
3           AND ERRATIC CHANGES IN TAX RATES AND POLICIES WHICH IMPAIRED  
4           THE ATTRACTIVENESS OF THIS COMMONWEALTH AS A LOCATION FOR JOB  
5           CREATION AND BUSINESS EXPANSION.

6           (4) RECURRING DEFICITS OCCURRING DURING ECONOMIC  
7           DOWNTURNS CAN DAMAGE THE CREDITWORTHINESS OF THE COMMONWEALTH  
8           AND INCREASE THE COST OF BORROWING FOR ESSENTIAL CAPITAL  
9           PROJECTS.

10          (5) THE NEED TO COPE WITH PROBLEMS ARISING FROM THE  
11          EFFECT OF ECONOMIC UNCERTAINTY HAS OFTEN CAUSED LENGTHY  
12          DELAYS IN ADOPTING A BUDGET FOR THE COMMONWEALTH, CAUSED  
13          CUTOFFS OF VITAL PUBLIC PROGRAMS AND ENDANGERED THE STABILITY  
14          AND RELIABILITY OF VITAL PUBLIC SERVICES AND PROGRAMS.

15          (B) CONCLUSIONS.--THEREFORE, THE GENERAL ASSEMBLY CONCLUDES  
16          THAT IT IS A VALID AND PROPER PUBLIC FUNCTION TO SET ASIDE A  
17          PORTION OF COMMONWEALTH REVENUES INTO A TAX STABILIZATION  
18          RESERVE FUND IN ORDER TO MINIMIZE FUTURE REVENUE SHORTFALLS AND  
19          DEFICITS, PROVIDE GREATER CONTINUITY AND PREDICTABILITY IN THE  
20          FUNDING OF VITAL GOVERNMENT SERVICES AND MINIMIZE THE NEED TO  
21          INCREASE TAXES TO BALANCE THE BUDGET OF THE COMMONWEALTH DURING  
22          PERIODS OF ECONOMIC DISTRESS.

23          SECTION 203. CREATION OF TAX STABILIZATION RESERVE FUND.

24          THERE IS HEREBY ESTABLISHED A SPECIAL FUND TO BE KNOWN AS THE  
25          TAX STABILIZATION RESERVE FUND.

26          SECTION 204. FUNDING.

27          (A) APPROPRIATED FUNDS.--THE GENERAL ASSEMBLY MAY AT ANY  
28          TIME PROVIDE ADDITIONAL AMOUNTS FROM ANY FUNDS AVAILABLE TO THIS  
29          COMMONWEALTH AS AN APPROPRIATION TO THE TAX STABILIZATION  
30          RESERVE FUND.

1 (B) INTENT.--IT IS HEREBY DECLARED AS THE INTENT AND GOAL OF  
2 THE GENERAL ASSEMBLY TO CREATE A STABILIZATION RESERVE IN AN  
3 EVENTUAL AMOUNT NOT TO EXCEED 3% OF THE ESTIMATED REVENUES OF  
4 THE GENERAL FUND OF THE COMMONWEALTH.

5 SECTION 205. DISPOSITION OF FUNDS.

6 (A) APPROPRIATION.--WHENEVER THE GOVERNOR DETERMINES THAT  
7 MONEYS FROM THIS FUND ARE NECESSARY TO MEET EMERGENCIES  
8 INVOLVING THE HEALTH, SAFETY OR WELFARE OF THE CITIZENS OF THIS  
9 COMMONWEALTH, OR TO COUNTERBALANCE DOWNTURNS OF THE ECONOMY  
10 WHICH RESULT IN SIGNIFICANT UNANTICIPATED REVENUE SHORTFALLS, HE  
11 SHALL PRESENT A REQUEST FOR AN APPROPRIATION ALONG WITH THE  
12 SPECIFICS OF THE PROPOSAL AND SUCH SUGGESTED ANCILLARY AND  
13 SUBSTANTIVE LEGISLATION AS MAY BE NECESSARY TO THE CHAIRMEN OF  
14 THE SENATE AND HOUSE APPROPRIATIONS COMMITTEES. THE GENERAL  
15 ASSEMBLY MAY THEN THROUGH APPROVAL OF A SEPARATE APPROPRIATION  
16 BILL BY A VOTE OF TWO-THIRDS OF THE MEMBERS ELECTED TO THE  
17 SENATE AND THE HOUSE OF REPRESENTATIVES APPROPRIATE MONEY FROM  
18 THE FUND TO MEET THE NEEDS IDENTIFIED IN THE GOVERNOR'S  
19 PROPOSAL. ANY MONEY APPROPRIATED ACCORDING TO THIS SECTION WHICH  
20 HAS THEN LAPSED SHALL BE RETURNED TO THE FUND.

21 (B) PURPOSE.--IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT  
22 THESE FUNDS BE APPROPRIATED ONLY WHEN THE EMERGENCY OR DOWNTURN  
23 IN THE ECONOMY CANNOT BE DEALT WITH THROUGH THE NORMAL BUDGET  
24 PROCESS AND THAT THE MONEYS IN THE TAX STABILIZATION RESERVE  
25 FUND NOT BE USED TO BEGIN NEW PROGRAMS BUT PROVIDE FOR THE  
26 CONTINUATION OF VITAL PUBLIC PROGRAMS IN DANGER OF BEING CUT OFF  
27 DUE TO FINANCIAL PROBLEMS RESULTING FROM THE ECONOMY.

28 CHAPTER 3

29 REPEALS AND EFFECTIVE DATE

30 SECTION 301. REPEALS.

1 ALL ACTS AND PARTS OF ACTS ARE REPEALED INSOFAR AS THEY ARE  
2 INCONSISTENT WITH THIS ACT.

3 Section ~~6~~ 5 302. Effective date. ←

4 This act shall take effect immediately.