

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

# HOUSE BILL

## No. 854

Session of  
1997

---

INTRODUCED BY BARLEY, MARCH 12, 1997

---

SENATOR TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, MAY 5, 1997

---

AN ACT

1 Providing for the capital budget for the fiscal year 1997-1998.

2 The General Assembly of the Commonwealth of Pennsylvania

3 hereby enacts as follows:

4 Section 1. Short title and construction.

5 (a) Short title.--This act shall be known and may be cited  
6 as the Capital Budget Act of 1997-1998.

7 (b) Supplements.--A reference to this act shall be deemed to  
8 include a reference to the supplements to this act.

9 (c) Fiscal Code.--The provisions and definitions of Article  
10 XVI-B of the act of April 9, 1929 (P.L.343, No.176), known as  
11 The Fiscal Code, shall apply to this act to the extent they are  
12 not inconsistent with this act.

13 Section 2. Overall limitations on debt to be incurred for  
14 capital projects.

15 The maximum principal amount of additional debt to be  
16 incurred during the 1997-1998 fiscal year, and thereafter until

1 the enactment of the 1998-1999 capital budget specifying the  
 2 maximum debt for the 1998-1999 fiscal year, for capital projects  
 3 specifically itemized in a capital budget pursuant to section  
 4 7(a)(4) of Article VIII of the Constitution of Pennsylvania, and  
 5 the fund to be charged with the repayment of such debt, shall,  
 6 with respect to each category of capital projects, be as  
 7 follows:

8	Category	Amount	Fund
9	(1) Public Improvement		
10	Projects:		
11	(i) Buildings and		General Fund or
12	Structures	\$210,000,000	Special Fund as
13	(ii) Furniture and		applicable
14	Equipment	35,000,000	
15	(2) Transportation		
16	Assistance Projects	85,000,000	General Fund
17	(3) Redevelopment		
18	Assistance Projects	60,000,000	General Fund
19	(4) Flood Control		
20	Projects	11,000,000	General Fund
21	Total	\$401,000,000	

22 ~~Section 3. Bond Services.~~

<—

23 ~~(a) Declaration of policy. The General Assembly finds and~~  
 24 ~~declares as follows:~~

25 ~~(1) Recipients of contracts to perform bond services for~~  
 26 ~~the Commonwealth have in the past made substantial~~  
 27 ~~contributions to Commonwealth elected officials.~~

28 ~~(2) The Commonwealth pays more for bond service than~~  
 29 ~~states which make awards on the basis of competitive bidding.~~

30 ~~(3) This has created the public perception that~~

~~contracts for bond services are awarded on the basis of political consideration and has thus eroded public trust and confidence in State government.~~

~~(4) Awarding of bond service contracts to the lowest responsible bidder is the best method to ensure the lowest price to taxpayers and the highest degree of integrity in the bond service award process.~~

~~(b) Lowest bid. Any and all bond services performed for the Commonwealth, its agencies, authorities and commissions which cannot be performed by employees of the Commonwealth shall be contracted with and performed by the bond service provider submitting the lowest responsible bid.~~

~~(c) Request for proposal. For each bond service required to be performed for the Commonwealth, its agencies, authorities or commissions, the issuing authority shall distribute a request for proposal requiring a written response.~~

~~(d) Selection of service provider. After each bond service provider is selected, the issuing authority shall issue a written report of the selection of the service provider and the basis therefor. A copy of the request for proposal and the responses thereto shall be made a part of the report. This report shall be made available to the public.~~

~~(e) Definitions. As used in this section, the following words and phrases shall have the meanings given to them in this subsection:~~

~~"Bond service provider" means any bond counsel, financial adviser, underwriter, loan and transfer agent, verification agent or printer who provides bond services.~~

~~"Bond services" means legal, financial and other services by a bond service provider rendered in conjunction with any bonds~~

1 ~~issued.~~

2 Section 4 3. Effective date.

<—

3       This act shall take effect July 1, 1997, or immediately,  
4 whichever is later.