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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 822      Session of  
2001

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INTRODUCED BY PICCOLA, WAUGH AND CORMAN, APRIL 30, 2001

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REFERRED TO FINANCE, APRIL 30, 2001

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A JOINT RESOLUTION

1 Proposing an amendment to the Constitution of the Commonwealth  
2 of Pennsylvania, providing for spending limitations on the  
3 Commonwealth.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby resolves as follows:

6 Section 1. The following amendment to the Constitution of  
7 Pennsylvania is proposed in accordance with the provisions of  
8 Article XI:

9 That Article VIII be amended by adding a section to read:

10 § 18. Spending limitations.

11 (a) Total spending by the Commonwealth shall not exceed the  
12 spending limit in any fiscal year. The spending limit for any  
13 fiscal year shall be equal to the spending during the  
14 immediately prior fiscal year, adjusted by the lower percentage  
15 of the following:

16 (1) 100% of the average annual rate of change for the  
17 two preceding years of personal income in Pennsylvania as

reported by the Federal Government or as determined pursuant to an act of the General Assembly; or

(2) 5%.

The percentage of the rate of change used in any fiscal year to adjust the limit may be increased for that year, but not to a percentage in excess of 120% of clause (1) or (2), whichever is lower, by the affirmative vote of two-thirds of the members elected to each House of the General Assembly. The Commonwealth's spending limit as provided in this subsection may be changed by the procedure outlined in section 1(a) of Article XI.

(b) The spending limit of the Commonwealth may be exceeded in any fiscal year for a presidentially declared emergency or major disaster. The spending limit may also be exceeded for other declared emergencies if the Governor so requests and the General Assembly approves by the affirmative vote of two-thirds of the members elected to each House of the General Assembly. The excess spending authorized by exceeding the limit in this manner shall not be included in the computation base of the spending limit for any subsequent fiscal year.

(c) Total spending by the Commonwealth means all appropriations and authorizations from the General Fund, the Public Transportation Assistance Fund and the Motor License Fund and funds created after the effective date of this amendment, and shall exclude refunds, servicing of bonded indebtedness incurred prior to the effective date of this amendment and of voter-approved bonded indebtedness, expenditures for funding the unfunded pension liabilities existing on the effective date of this amendment, and the spending of Federal funds, gifts or receipts restricted by laws in effect as of January 1, 1997.

1 This section shall not be circumvented by creating additional  
2 spending programs in, or transferring spending from the General  
3 Fund or Motor License Fund to, existing special funds or  
4 restricted receipt accounts.

5       Section 2. (a) Upon the first passage by the General  
6 Assembly of this proposed constitutional amendment, the  
7 Secretary of the Commonwealth shall proceed immediately to  
8 comply with the advertising requirements of section 1 of Article  
9 XI of the Constitution of Pennsylvania and shall transmit the  
10 required advertisements to two newspapers in every county in  
11 which such newspapers are published in sufficient time after  
12 passage of this proposed constitutional amendment.

13       (b) Upon the second passage by the General Assembly of this  
14 proposed constitutional amendment, the Secretary of the  
15 Commonwealth shall proceed immediately to comply with the  
16 advertising requirements of section 1 of Article XI of the  
17 Constitution of Pennsylvania and shall transmit the required  
18 advertisements to two newspapers in every county in which such  
19 newspapers are published in sufficient time after passage of  
20 this proposed constitutional amendment. The Secretary of the  
21 Commonwealth shall submit this proposed constitutional amendment  
22 to the qualified electors of this Commonwealth at the first  
23 primary, general or municipal election occurring at least three  
24 months after the proposed constitutional amendment is passed by  
25 the General Assembly.

26       Section 3. The addition of section 18(a) of Article VIII of  
27 the Constitution of Pennsylvania shall become effective  
28 beginning with the first fiscal year commencing more than six  
29 months following approval of section 18 by the electorate.