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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1404 Session of  
2012

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INTRODUCED BY YUDICHAK, FONTANA, ERICKSON, FARNESE, SOLOBAY,  
SCHWANK, WASHINGTON, KASUNIC, HUGHES, KITCHEN AND FERLO,  
FEBRUARY 2, 2012

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REFERRED TO FINANCE, FEBRUARY 2, 2012

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AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,  
2 as amended, "An act relating to the finances of the State  
3 government; providing for the settlement, assessment,  
4 collection, and lien of taxes, bonus, and all other accounts  
5 due the Commonwealth, the collection and recovery of fees and  
6 other money or property due or belonging to the Commonwealth,  
7 or any agency thereof, including escheated property and the  
8 proceeds of its sale, the custody and disbursement or other  
9 disposition of funds and securities belonging to or in the  
10 possession of the Commonwealth, and the settlement of claims  
11 against the Commonwealth, the resettlement of accounts and  
12 appeals to the courts, refunds of moneys erroneously paid to  
13 the Commonwealth, auditing the accounts of the Commonwealth  
14 and all agencies thereof, of all public officers collecting  
15 moneys payable to the Commonwealth, or any agency thereof,  
16 and all receipts of appropriations from the Commonwealth,  
17 authorizing the Commonwealth to issue tax anticipation notes  
18 to defray current expenses, implementing the provisions of  
19 section 7(a) of Article VIII of the Constitution of  
20 Pennsylvania authorizing and restricting the incurring of  
21 certain debt and imposing penalties; affecting every  
22 department, board, commission, and officer of the State  
23 government, every political subdivision of the State, and  
24 certain officers of such subdivisions, every person,  
25 association, and corporation required to pay, assess, or  
26 collect taxes, or to make returns or reports under the laws  
27 imposing taxes for State purposes, or to pay license fees or  
28 other moneys to the Commonwealth, or any agency thereof,  
29 every State depository and every debtor or creditor of the  
30 Commonwealth," further providing for funding.

31 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 1702-A of the act of April 9, 1929  
3 (P.L.343, No.176), known as The Fiscal Code, amended June 30,  
4 2011 (P.L.159, No.26), is amended to read:

5 Section 1702-A. Funding.

6 (a) Intent.--It is hereby declared as the intent and goal of  
7 the General Assembly to create a stabilization reserve in an  
8 eventual amount of 6% of the revenues of the General Fund of the  
9 Commonwealth.

10 (b) Transfer of portion of surplus.--

11 (1) Except as may be provided in paragraph (2), for  
12 fiscal years beginning after June 30, 2002, the following  
13 apply:

14 (i) Except as set forth in this paragraph, if the  
15 Secretary of the Budget certifies that there is a surplus  
16 in the General Fund for a specific fiscal year, 25% of  
17 the surplus shall be deposited by the end of the next  
18 succeeding quarter into the Budget Stabilization Reserve  
19 Fund.

20 (ii) If the Secretary of the Budget certifies, after  
21 June 30, 2005, that there is a surplus in the General  
22 Fund for the fiscal year 2004-2005, 15% of the surplus  
23 shall be deposited by the end of the next succeeding  
24 quarter into the Budget Stabilization Reserve Fund.

25 (iii) No amount of the surplus in the General Fund  
26 for fiscal year 2007-2008 may be deposited into the  
27 Budget Stabilization Reserve Fund.

28 (iv) No amount of the surplus in the General Fund  
29 for fiscal year 2010-2011 may be deposited into the  
30 Budget Stabilization Reserve Fund.

1           (v) The first \$100,000,000 of the surplus in the  
2           General Fund for fiscal year 2011-2012 shall be  
3           transferred as follows:

4                   (A) Fifty million dollars to the Machinery and  
5                   Equipment Loan Fund.

6                   (B) Fifty million dollars to the Industrial  
7                   Development Fund.

8           (2) If, at the end of any fiscal year, the ending  
9           balance of the Budget Stabilization Reserve Fund equals or  
10          exceeds 6% of the actual General Fund revenues received for  
11          the fiscal year in which the surplus occurs, 10% of the  
12          surplus shall be deposited by the end of the next succeeding  
13          quarter into the Budget [Reserve] Stabilization Reserve Fund.

14          (c) Appropriated funds.--The General Assembly may at any  
15          time provide additional amounts from any funds available to this  
16          Commonwealth as an appropriation to the Budget Stabilization  
17          Reserve Fund.

18          Section 2. This act shall take effect in 60 days.