
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 785 Session of
2017

INTRODUCED BY SAYLOR AND TURZAI, MARCH 10, 2017

REFERRED TO COMMITTEE ON APPROPRIATIONS, MARCH 10, 2017

AN ACT

1 Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An
2 act providing for borrowing for capital facilities;
3 conferring powers and duties on various administrative
4 agencies and officers; making appropriations; and making
5 repeals," in capital facilities, further providing for bonds,
6 issue of bonds and notes, maturity, interest, for
7 appropriation for and limitation on redevelopment assistance
8 capital projects and for administration of redevelopment
9 assistance capital projects; and providing for capital
10 budgets.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Sections 307(c) and 317 of the act of February 9,
14 1999 (P.L.1, No.1), known as the Capital Facilities Debt
15 Enabling Act, are amended to read:

16 Section 307. Bonds, issue of bonds and notes, maturity,
17 interest.

18 * * *

19 (c) Terms and conditions.--

20 (1) Except as set forth in subsection (a) or (b), the
21 terms and conditions of issue, redemption and maturity and
22 time of payment of interest shall be as the issuing officials

1 shall specify. Bonds of any series shall mature within a
2 period not to exceed the estimated useful lives of the
3 capital projects as stated in the debt-authorizing act but
4 not later than 30 years from the date of issuance.

5 (2) The issuing officials shall provide for the
6 amortization of the bonds in substantial and regular amounts
7 over the term of the debt, but the first retirement of
8 principal shall be stated to mature prior to the expiration
9 of a period of time equal to one-tenth of the time from the
10 date of the first obligation issued to evidence the debt to
11 the date of the expiration of the term of the debt.

12 (3) [Retirements] (i) Except as provided in
13 subparagraph (ii), retirements of principal shall be
14 regular and substantial if made in annual or semiannual
15 amounts whether by stated serial maturities or by
16 mandatory sinking fund retirements computed in accordance
17 with [either a level annual debt service plan as nearly
18 as may be or upon] the equal annual maturities plan.

19 (ii) Retirements of principal for funding bonds
20 authorized under section 312 shall be regular and
21 substantial if made in annual or semiannual amounts
22 whether by stated serial maturities or by mandatory
23 sinking fund retirements computed in accordance with
24 either a level annual debt service plan as nearly as may
25 be or upon the equal annual maturities plan.

26 (4) If debt is incurred in one issue of bonds to provide
27 funds for and towards the financial cost of capital projects
28 having estimated useful lives of varying length, the
29 following shall apply:

30 (i) The aggregate of the financial costs shall be

1 considered as the debt to be incurred for the purpose of
2 fixing the regular and substantial amounts of principal
3 to be retired.

4 (ii) The term of the debt shall be to the end of the
5 longest estimated useful life for the purpose of
6 determining the first date for the retirement of
7 principal. At the end of the estimated useful life of
8 each project, the aggregate principal retirements
9 required to be made at or before that date shall exceed:

10 (A) the aggregate financial cost of all capital
11 projects having the same or shorter estimated useful
12 lives; or

13 (B) if bonds are issued for less than the full
14 financial cost of all projects being financed in the
15 same category, a proportionate amount in each case.

16 [(4.1) The issuing officials may enter into agreements
17 or contracts to insure or secure payment of principal,
18 interest or the purchase price of bonds which, in the
19 judgment of the issuing officials, will assist in managing
20 the interest costs of the debt of the Commonwealth.]

21 (5) The issuing officials are authorized to carry out
22 the provisions of this chapter relating to the issuance of
23 bonds and shall determine all matters in connection with the
24 issuance of bonds subject to the provisions hereof.

25 * * *

26 Section 317. Appropriation for and limitation on [redevelopment
27 assistance] capital projects.

28 (a) Appropriation.--The amount necessary to pay principal of
29 and interest on all obligations issued to provide funds for
30 redevelopment assistance capital projects shall be appropriated

1 from the General Fund and shall be transferred to the Capital
2 Debt Fund upon authorization by the Governor.

3 (b) Limitation on redevelopment assistance capital project
4 obligations.--The maximum amount of redevelopment assistance
5 capital projects undertaken by the Commonwealth for which
6 obligations are outstanding shall not exceed, in aggregate,
7 \$3,450,000,000. Beginning July 1, 2018, and each July 1
8 thereafter until the sum of the outstanding obligations for
9 redevelopment assistance capital projects equals \$2,950,000,000,
10 the sum of the maximum amount of outstanding obligations for
11 redevelopment assistance projects shall be decreased by
12 \$50,000,000.

13 (b.1) Limitation on additional capital project releases
14 financed by debt.--Beginning July 1, 2017, and in each fiscal
15 year thereafter, the following limitations on releasing
16 additional capital projects for funding authorizations financed
17 by debt shall apply:

18 (1) The maximum amount of additional public improvement
19 projects released for funding by the Commonwealth in a fiscal
20 year shall not exceed \$350,000,000.

21 (2) The maximum amount of additional redevelopment
22 assistance capital projects released for funding by the
23 Commonwealth in a fiscal year shall not exceed \$125,000,000.

24 (b.2) Carry forward.--

25 (1) Subject to the limitations in paragraph (2), in any
26 fiscal year in which the projects released for funding under
27 subsection (b.1) (1) or (2) is less than the amount authorized
28 for release under subsection (b.1) (1) or (2), the remaining
29 amount may be carried forward and added to the following
30 fiscal year limitation for projects released for funding

1 under subsection (b.1)(1) or (2).

2 (2) The amount carried forward under paragraph (1) may
3 not exceed half of the total amount authorized to be released
4 for funding in that project category for the previous fiscal
5 year.

6 (c) Housing units.--An amount not to exceed \$50,000,000 of
7 the amount under subsection (b) may be used for the construction
8 of housing units.

9 Section 2. Section 318(a.3) of the act is amended by adding
10 a paragraph and the section is amended by adding subsections to
11 read:

12 Section 318. Administration of redevelopment assistance capital
13 projects.

14 * * *

15 (a.3) Acceptance and grant agreement.--Within 30 days of
16 receiving notification of approval under subsection (a.2), an
17 applicant shall notify the office if the applicant accepts the
18 grant. If the applicant notifies the office that it intends to
19 accept the grant, the office shall forward to the applicant a
20 grant agreement to be executed by the applicant. The grant
21 agreement and any attachments thereto shall include the
22 following:

23 * * *

24 (4.1) A signed affidavit stating that the applicant will
25 hold at least one public informational meeting as provided
26 under subsection (l) for the project and an additional public
27 informational meeting as necessary under subsection (m) for
28 the project.

29 * * *

30 (l) Public informational meeting.--Before the construction

1 of an approved redevelopment assistance capital project, at
2 least one public informational meeting shall be held within a
3 ten-mile radius of the project site. If no suitable venue is
4 available within a ten-mile radius of the project site, the
5 Secretary of the Budget, in consultation with the applicant and
6 the State Senator and the State Representative of the district
7 where the project will be located, may expand the radius by a
8 reasonable distance. Any expenses for the public informational
9 meeting shall be paid by the applicant.

10 (m) Additional requirements.--If an applicant significantly
11 alters an approved redevelopment assistance capital project
12 after a contract has been executed, the applicant shall hold an
13 additional public informational meeting before construction for
14 the purposes of discussing with the public the alteration to the
15 project.

16 Section 3. The act is amended by adding a chapter to read:

17 CHAPTER 6

18 CAPITAL BUDGETS

19 SUBCHAPTER A

20 SCOPE OF CHAPTER

21 Section 601. Scope of chapter.

22 This chapter applies to capital budgets for particular fiscal
23 years.

24 SUBCHAPTER B

25 CAPITAL BUDGET ACT OF 2016-2017

26 Section 611. Short title.

27 This subchapter shall be known and may be cited as the
28 Capital Budget Act of 2016-2017.

29 Section 612. Overall limitations on debt to be incurred for
30 capital projects.

1 The maximum principal amount of additional debt to be
 2 incurred during the 2016-2017 fiscal year and thereafter until
 3 the enactment of the 2017-2018 capital budget specifying the
 4 maximum debt for the 2017-2018 fiscal year for capital projects
 5 specifically itemized in a capital budget pursuant to section
 6 7(a)(4) of Article VIII of the Constitution of Pennsylvania and
 7 the fund to be charged with the repayment of such debt shall,
 8 with respect to each category of capital projects, be as
 9 follows:

<u>Category</u>	<u>Amount</u>	<u>Fund</u>
11 <u>(1) Public improvement</u>		
12 <u>projects:</u>		
13 <u>(i) Buildings and</u>		
14 <u>structures</u>	<u>\$325,000,000</u>	<u>General Fund or</u>
		<u>Special Fund as</u>
		<u>applicable</u>
17 <u>(2) Transportation</u>		
18 <u>assistance projects</u>	<u>175,000,000</u>	<u>General Fund</u>
19 <u>Total</u>	<u>\$500,000,000</u>	

20 Section 4. This act shall take effect as follows:

21 (1) The amendment or addition of sections 307(c), 317
 22 and 318(a.3)(4.1), (1) and (m) shall take effect in 60 days.

23 (2) The remainder of this act shall take effect
 24 immediately.