

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 785 Session of 2017

INTRODUCED BY SAYLOR, TURZAI AND MICCARELLI, MARCH 10, 2017

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES, OCTOBER 3, 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 and for~~
7 ~~appropriation for and limitation on redevelopment assistance~~
8 ~~capital projects; and providing for capital budgets.~~
9 Amending the act of February 9, 1999 (P.L.1, No.1), entitled "An <--
10 act providing for borrowing for capital facilities;
11 conferring powers and duties on various administrative
12 agencies and officers; making appropriations; and making
13 repeals," in capital facilities, further providing for bonds,
14 issue of bonds and notes, maturity, interest and for
15 appropriation for and limitation on redevelopment assistance
16 capital projects; and providing for capital budgets.

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

19 ~~Section 1. Sections 307(c)(4.1) and 317(b) of the act of~~ <--
20 ~~February 9, 1999 (P.L.1, No.1), known as the Capital Facilities~~
21 ~~Debt Enabling Act, are amended to read:~~

22 ~~Section 307. Bonds, issue of bonds and notes, maturity,~~
23 ~~interest.~~

24 * * *

25 ~~(c) Terms and conditions.~~

SUBCHAPTER B

CAPITAL BUDGET ACT OF 2017-2018

Section 611. Short title.

This subchapter shall be known and may be cited as the
Capital Budget Act of 2017-2018.

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

The maximum principal amount of additional debt to be
incurred during the 2017-2018 fiscal year and thereafter until
the enactment of the 2018-2019 capital budget specifying the
maximum debt for the 2018-2019 fiscal year for capital projects
specifically itemized in a capital budget pursuant to section
7(a)(4) of Article VIII of the Constitution of Pennsylvania and
the fund to be charged with the repayment of such debt shall,
with respect to each category of capital projects, be as
follows:

(1) Public Improvement

Projects:

(i) Buildings and

<u>structures</u>	<u>\$875,000,000</u>	<u>General Fund or</u>
		<u>Special Fund as</u>
		<u>applicable</u>

(2) Furniture and

<u>equipment</u>	<u>10,000,000</u>	<u>General Fund or</u>
		<u>Special Fund as</u>
		<u>applicable</u>

(3) Transportation

<u>assistance projects</u>	<u>350,000,000</u>	<u>General Fund</u>
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(4) Redevelopment

<u>assistance projects</u>	<u>200,000,000</u>	<u>General Fund</u>
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1 ~~(5) Flood control~~

2 ~~projects~~ 10,000,000 General Fund

3 Total \$1,445,000,000

4 ~~Section 3. This act shall take effect~~

5 ~~immediately.~~

6 SECTION 1. SECTIONS 307(C) AND 317 OF THE ACT OF FEBRUARY 9, <--
7 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT
8 ENABLING ACT, ARE AMENDED TO READ:

9 SECTION 307. BONDS, ISSUE OF BONDS AND NOTES, MATURITY,
10 INTEREST.

11 * * *

12 (C) TERMS AND CONDITIONS.--

13 (1) EXCEPT AS SET FORTH IN SUBSECTION (A) OR (B), THE
14 TERMS AND CONDITIONS OF ISSUE, REDEMPTION AND MATURITY AND
15 TIME OF PAYMENT OF INTEREST SHALL BE AS THE ISSUING OFFICIALS
16 SHALL SPECIFY. BONDS OF ANY SERIES SHALL MATURE WITHIN A
17 PERIOD NOT TO EXCEED THE ESTIMATED USEFUL LIVES OF THE
18 CAPITAL PROJECTS AS STATED IN THE DEBT-AUTHORIZING ACT BUT
19 NOT LATER THAN 30 YEARS FROM THE DATE OF ISSUANCE.

20 (2) THE ISSUING OFFICIALS SHALL PROVIDE FOR THE
21 AMORTIZATION OF THE BONDS IN SUBSTANTIAL AND REGULAR AMOUNTS
22 OVER THE TERM OF THE DEBT, BUT THE FIRST RETIREMENT OF
23 PRINCIPAL SHALL BE STATED TO MATURE PRIOR TO THE EXPIRATION
24 OF A PERIOD OF TIME EQUAL TO ONE-TENTH OF THE TIME FROM THE
25 DATE OF THE FIRST OBLIGATION ISSUED TO EVIDENCE THE DEBT TO
26 THE DATE OF THE EXPIRATION OF THE TERM OF THE DEBT.

27 (3) [RETIREMENTS] (I) EXCEPT AS PROVIDED IN
28 SUBPARAGRAPH (II), RETIREMENTS OF PRINCIPAL SHALL BE
29 REGULAR AND SUBSTANTIAL IF MADE IN ANNUAL OR SEMIANNUAL
30 AMOUNTS WHETHER BY STATED SERIAL MATURITIES OR BY

1 MANDATORY SINKING FUND RETIREMENTS COMPUTED IN ACCORDANCE
2 WITH [EITHER A LEVEL ANNUAL DEBT SERVICE PLAN AS NEARLY
3 AS MAY BE OR UPON] THE EQUAL ANNUAL MATURITIES PLAN.

4 (II) RETIREMENTS OF PRINCIPAL FOR FUNDING BONDS
5 AUTHORIZED UNDER SECTION 312 SHALL BE REGULAR AND
6 SUBSTANTIAL IF MADE IN ANNUAL OR SEMIANNUAL AMOUNTS
7 WHETHER BY STATED SERIAL MATURITIES OR BY MANDATORY
8 SINKING FUND RETIREMENTS COMPUTED IN ACCORDANCE WITH
9 EITHER A LEVEL ANNUAL DEBT SERVICE PLAN AS NEARLY AS MAY
10 BE OR UPON THE EQUAL ANNUAL MATURITIES PLAN.

11 (4) IF DEBT IS INCURRED IN ONE ISSUE OF BONDS TO PROVIDE
12 FUNDS FOR AND TOWARDS THE FINANCIAL COST OF CAPITAL PROJECTS
13 HAVING ESTIMATED USEFUL LIVES OF VARYING LENGTH, THE
14 FOLLOWING SHALL APPLY:

15 (I) THE AGGREGATE OF THE FINANCIAL COSTS SHALL BE
16 CONSIDERED AS THE DEBT TO BE INCURRED FOR THE PURPOSE OF
17 FIXING THE REGULAR AND SUBSTANTIAL AMOUNTS OF PRINCIPAL
18 TO BE RETIRED.

19 (II) THE TERM OF THE DEBT SHALL BE TO THE END OF THE
20 LONGEST ESTIMATED USEFUL LIFE FOR THE PURPOSE OF
21 DETERMINING THE FIRST DATE FOR THE RETIREMENT OF
22 PRINCIPAL. AT THE END OF THE ESTIMATED USEFUL LIFE OF
23 EACH PROJECT, THE AGGREGATE PRINCIPAL RETIREMENTS
24 REQUIRED TO BE MADE AT OR BEFORE THAT DATE SHALL EXCEED:

25 (A) THE AGGREGATE FINANCIAL COST OF ALL CAPITAL
26 PROJECTS HAVING THE SAME OR SHORTER ESTIMATED USEFUL
27 LIVES; OR

28 (B) IF BONDS ARE ISSUED FOR LESS THAN THE FULL
29 FINANCIAL COST OF ALL PROJECTS BEING FINANCED IN THE
30 SAME CATEGORY, A PROPORTIONATE AMOUNT IN EACH CASE.

1 [(4.1) THE ISSUING OFFICIALS MAY ENTER INTO AGREEMENTS
2 OR CONTRACTS TO INSURE OR SECURE PAYMENT OF PRINCIPAL,
3 INTEREST OR THE PURCHASE PRICE OF BONDS WHICH, IN THE
4 JUDGMENT OF THE ISSUING OFFICIALS, WILL ASSIST IN MANAGING
5 THE INTEREST COSTS OF THE DEBT OF THE COMMONWEALTH.]

6 (5) THE ISSUING OFFICIALS ARE AUTHORIZED TO CARRY OUT
7 THE PROVISIONS OF THIS CHAPTER RELATING TO THE ISSUANCE OF
8 BONDS AND SHALL DETERMINE ALL MATTERS IN CONNECTION WITH THE
9 ISSUANCE OF BONDS SUBJECT TO THE PROVISIONS HEREOF.

10 * * *

11 SECTION 317. APPROPRIATION FOR AND LIMITATION ON [REDEVELOPMENT
12 ASSISTANCE] CAPITAL PROJECTS.

13 (A) APPROPRIATION.--THE AMOUNT NECESSARY TO PAY PRINCIPAL OF
14 AND INTEREST ON ALL OBLIGATIONS ISSUED TO PROVIDE FUNDS FOR
15 REDEVELOPMENT ASSISTANCE CAPITAL PROJECTS SHALL BE APPROPRIATED
16 FROM THE GENERAL FUND AND SHALL BE TRANSFERRED TO THE CAPITAL
17 DEBT FUND UPON AUTHORIZATION BY THE GOVERNOR.

18 (B) LIMITATION ON REDEVELOPMENT ASSISTANCE CAPITAL PROJECTS
19 OBLIGATIONS.--THE MAXIMUM AMOUNT OF REDEVELOPMENT ASSISTANCE
20 CAPITAL PROJECTS UNDERTAKEN BY THE COMMONWEALTH FOR WHICH
21 OBLIGATIONS ARE OUTSTANDING SHALL NOT EXCEED, IN AGGREGATE,
22 [\$3,450,000,000.] \$3,400,000,000. BEGINNING JULY 1, 2018, AND
23 EACH JULY 1 THEREAFTER UNTIL THE SUM OF THE OUTSTANDING
24 OBLIGATIONS FOR REDEVELOPMENT ASSISTANCE CAPITAL PROJECTS EQUALS
25 \$3,200,000,000, THE SUM OF THE MAXIMUM AMOUNT OF OUTSTANDING
26 OBLIGATIONS FOR REDEVELOPMENT ASSISTANCE PROJECTS SHALL BE
27 DECREASED BY \$50,000,000.

28 (B.1) LIMITATION ON ADDITIONAL CAPITAL PROJECT RELEASES
29 FINANCED BY DEBT.--IN EACH FISCAL YEAR, THE FOLLOWING
30 LIMITATIONS ON RELEASING ADDITIONAL CAPITAL PROJECTS FOR FUNDING

1 AUTHORIZATIONS FINANCED BY DEBT SHALL APPLY:

2 (1) THE MAXIMUM AMOUNT OF ADDITIONAL PUBLIC IMPROVEMENT
3 PROJECTS RELEASED FOR FUNDING BY THE COMMONWEALTH IN A FISCAL
4 YEAR SHALL NOT EXCEED \$350,000,000.

5 (2) THE MAXIMUM AMOUNT OF ADDITIONAL REDEVELOPMENT
6 ASSISTANCE CAPITAL PROJECTS RELEASED FOR FUNDING BY THE
7 COMMONWEALTH IN A FISCAL YEAR SHALL NOT EXCEED \$125,000,000.

8 (B.2) CARRY FORWARD.--

9 (1) SUBJECT TO THE LIMITATIONS IN PARAGRAPH (2), IN A
10 FISCAL YEAR IN WHICH THE PROJECTS RELEASED FOR FUNDING UNDER
11 SUBSECTION (B.1) IS LESS THAN THE AMOUNT AUTHORIZED FOR
12 RELEASE UNDER SUBSECTION (B.1), THE REMAINING AMOUNT MAY BE
13 CARRIED FORWARD AND ADDED TO THE FOLLOWING FISCAL YEAR
14 LIMITATION FOR PROJECTS RELEASED FOR FUNDING UNDER SUBSECTION
15 (B.1).

16 (2) THE AMOUNT CARRIED FORWARD UNDER PARAGRAPH (1) MAY
17 NOT EXCEED HALF OF THE TOTAL AMOUNT AUTHORIZED TO BE RELEASED
18 FOR FUNDING IN THAT PROJECT CATEGORY FOR THE PREVIOUS FISCAL
19 YEAR.

20 (C) HOUSING UNITS.--AN AMOUNT NOT TO EXCEED \$50,000,000 OF
21 THE AMOUNT UNDER SUBSECTION (B) MAY BE USED FOR THE CONSTRUCTION
22 OF HOUSING UNITS.

23 SECTION 2. THE ACT IS AMENDED BY ADDING A CHAPTER TO READ:

24 CHAPTER 6

25 CAPITAL BUDGETS

26 SUBCHAPTER A

27 SCOPE OF CHAPTER

28 SECTION 601. SCOPE OF CHAPTER.

29 THIS CHAPTER APPLIES TO CAPITAL BUDGETS FOR PARTICULAR FISCAL
30 YEARS.

1 (5) FLOOD CONTROL

2 PROJECTS 10,000,000 GENERAL FUND

3 TOTAL \$1,225,000,000

4 SECTION 3. THE ADDITION OF SECTION 317(B.1) OF THE ACT SHALL
5 APPLY RETROACTIVELY TO JULY 1, 2017.

6 SECTION 4. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.