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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 526 Session of  
2017

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INTRODUCED BY AUMENT, BARTOLOTTA, SCHWANK, VULAKOVICH, FOLMER,  
MARTIN, DiSANTO, WARD, YUDICHAK, RAFFERTY, MENSCH, BOSCOLA,  
SCAVELLO, BREWSTER, DINNIMAN, STEFANO AND WAGNER,  
MARCH 20, 2017

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REFERRED TO APPROPRIATIONS, MARCH 20, 2017

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A JOINT RESOLUTION

1 Proposing integrated amendments to the Constitution of the  
2 Commonwealth of Pennsylvania, changing the Commonwealth's  
3 fiscal period from one year to two years.

4 Section 1. The following integrated amendments to the  
5 Constitution of Pennsylvania are proposed in accordance with  
6 Article XI:

7 (1) That section 7(a)(2) and (4) of Article VIII be amended  
8 to read:

9 § 7. Commonwealth indebtedness.

10 (a) No debt shall be incurred by or on behalf of the  
11 Commonwealth except by law and in accordance with the provisions  
12 of this section.

13 \* \* \*

14 (2) The Governor, State Treasurer and Auditor General,  
15 acting jointly, may (i) issue tax anticipation notes having a  
16 maturity within the fiscal [year] period of issue and payable  
17 exclusively from revenues received in the same fiscal [year]

1 period, and (ii) incur debt for the purpose of refunding other  
2 debt, if such refunding debt matures within the term of the  
3 original debt.

4 \* \* \*

5 (4) Debt may be incurred without the approval of the  
6 electors for capital projects specifically itemized in a capital  
7 budget, if such debt will not cause the amount of all net debt  
8 outstanding to exceed one and three-quarters times the average  
9 of the annual tax revenues deposited in the previous five fiscal  
10 [years] periods as certified by the Auditor General. For the  
11 purposes of this subsection, debt outstanding shall not include  
12 debt incurred under clauses (1) and (2) (i), or debt incurred  
13 under clause (2) (ii) if the original debt would not be so  
14 considered, or debt incurred under subsection (3) unless the  
15 General Assembly shall so provide in the law authorizing such  
16 debt.

17 \* \* \*

18 (2) That section 11(a) of Article VIII be amended to read:  
19 § 11. Gasoline taxes and motor license fees restricted.

20 (a) All proceeds from gasoline and other motor fuel excise  
21 taxes, motor vehicle registration fees and license taxes,  
22 operators' license fees and other excise taxes imposed on  
23 products used in motor transportation after providing therefrom  
24 for (a) cost of administration and collection, (b) payment of  
25 obligations incurred in the construction and reconstruction of  
26 public highways and bridges shall be appropriated by the General  
27 Assembly to agencies of the State or political subdivisions  
28 thereof; and used solely for construction, reconstruction,  
29 maintenance and repair of and safety on public highways and  
30 bridges and costs and expenses incident thereto, and for the

1 payment of obligations incurred for such purposes, and shall not  
2 be diverted by transfer or otherwise to any other purpose,  
3 except that loans may be made by the State from the proceeds of  
4 such taxes and fees for a single period not exceeding eight  
5 months, but no such loan shall be made within the period of one  
6 year from any preceding loan, and every loan made [in any fiscal  
7 year] before July 1 shall be repayable [within one month after  
8 the beginning of the next fiscal year] by July 31.

9 \* \* \*

10 (3) That section 12 of Article VIII be amended to read:

11 § 12. Governor's budgets and financial plan.

12 [Annually, at] At the times set by law, the Governor shall  
13 submit to the General Assembly:

14 (a) A balanced operating budget for the ensuing fiscal

15 [year] period, consisting of two years, setting forth in detail

16 (i) proposed expenditures classified by department or agency and  
17 by program and (ii) estimated revenues from all sources. If  
18 estimated revenues and available surplus are less than proposed  
19 expenditures, the Governor shall recommend specific additional  
20 sources of revenue sufficient to pay the deficiency and the  
21 estimated revenue to be derived from each source;

22 (b) A capital budget for the ensuing fiscal [year] period,

23 consisting of two years, setting forth in detail proposed

24 expenditures to be financed from the proceeds of obligations of  
25 the Commonwealth or of its agencies or authorities or from  
26 operating funds; and

27 (c) A financial plan for not less than the next succeeding  
28 five fiscal periods, each consisting of two years, which plan  
29 shall include for each such fiscal [year] period:

30 (i) Projected operating expenditures classified by

1 department or agency and by program, in reasonable detail, and  
2 estimated revenues, by major categories, from existing and  
3 additional sources, and

4 (ii) Projected expenditures for capital projects  
5 specifically itemized by purpose, and the proposed sources of  
6 financing each.

7 (4) That section 13 of Article VIII be amended to read:

8 § 13. Appropriations.

9 (a) Operating budget appropriations made by the General  
10 Assembly shall not exceed the actual and estimated revenues and  
11 surplus available in the same fiscal [year] period.

12 (b) The General Assembly shall adopt a capital budget for  
13 the ensuing fiscal [year] period.

14 (5) That section 14 of Article VIII be amended to read:

15 § 14. Surplus.

16 All surplus of operating funds at the end of the fiscal  
17 [year] period shall be appropriated during the ensuing fiscal  
18 [year] period by the General Assembly.

19 Section 2. (a) Upon the first passage by the General  
20 Assembly of these proposed constitutional amendments, the  
21 Secretary of the Commonwealth shall proceed immediately to  
22 comply with the advertising requirements of section 1 of Article  
23 XI of the Constitution of Pennsylvania and shall transmit the  
24 required advertisements to two newspapers in every county in  
25 which such newspapers are published in sufficient time after  
26 passage of these proposed constitutional amendments.

27 (b) Upon the second passage by the General Assembly of these  
28 proposed constitutional amendments, the Secretary of the  
29 Commonwealth shall proceed immediately to comply with the  
30 advertising requirements of section 1 of Article XI of the

1 Constitution of Pennsylvania and shall transmit the required  
2 advertisements to two newspapers in every county in which such  
3 newspapers are published in sufficient time after passage of  
4 these proposed constitutional amendments. The Secretary of the  
5 Commonwealth shall submit the proposed constitutional amendments  
6 under section 1 to the qualified electors of this Commonwealth  
7 as a single ballot question at the first primary, general or  
8 municipal election which meets the requirements of and is in  
9 conformance with section 1 of Article XI of the Constitution of  
10 Pennsylvania and which occurs at least three months after the  
11 proposed constitutional amendments are passed by the General  
12 Assembly.