
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1388 Session of
2023

INTRODUCED BY GROVE, KAUFFMAN, ZIMMERMAN, JAMES AND ROWE,
JUNE 14, 2023

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 14, 2023

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, providing for
3 Commonwealth capital improvement plans, for duties of State
4 agencies, for debt limit for capital projects, for
5 prohibition on exceeding debt limit for capital projects and
6 for legislative oversight; and making editorial changes.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Title 72 of the Pennsylvania Consolidated
10 Statutes is amended by adding parts to read:

11 PART I

12 PRELIMINARY PROVISIONS

13 (Reserved)

14 PART II

15 TAXATION

16 Chapter

17 17. (Reserved)

18 CHAPTER 17

19 (Reserved)

20 PART III

1 FISCAL AFFAIRS

2 Chapter

3 31. Microenterprise Assistance

4 100. Capital Projects

5 Section 2. Part III of Title 72 is amended by adding a
6 chapter to read:

7 CHAPTER 100

8 CAPITAL PROJECTS

9 Subchapter

10 A. General Provisions

11 B. Capital Improvement Plans

12 SUBCHAPTER A

13 GENERAL PROVISIONS

14 Sec.

15 10001. Definitions.

16 § 10001. Definitions.

17 The following words and phrases when used in this chapter
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Capital project." Any of the following:

21 (1) A project which is financed or funded or is proposed
22 to be financed or funded by the issuance of bonds, notes or
23 other evidences of indebtedness of the Commonwealth or a
24 State agency.

25 (2) A project which is financed or funded or is proposed
26 to be financed or funded by an appropriation in the General
27 Appropriation Act and designated as a capital expenditure by
28 the laws of this Commonwealth or under standards prescribed
29 by the State Treasurer.

30 "Legislative action." Any of the following:

1 website for review and comment by the public.

2 (2) No later than February 1 of each year, the Governor
3 shall submit a copy of the plan to the State Treasurer,
4 Auditor General, Independent Fiscal Office and members of the
5 General Assembly.

6 (b) Contents of plan.--The plan shall include all of the
7 following:

8 (1) A detailed list of capital projects that the
9 Governor recommends to be commenced, continued or completed
10 by each State agency within the next three fiscal years.

11 (2) The fiscal impact of the capital projects
12 recommended under paragraph (1) on future operating expenses
13 of the Commonwealth, including the Governor's recommendations
14 on methods to fund the capital projects, and the
15 prioritization of the capital projects.

16 (3) A schedule for the next fiscal year of the
17 Governor's recommendations for the appropriation of funds
18 from the issuance of bonds authorized under the laws of this
19 Commonwealth.

20 (4) A review of capital projects that have recently been
21 commenced, continued or completed or are in the process of
22 being commenced, continued or completed.

23 (5) The Governor's recommendations on the maintenance of
24 each State agency's physical properties and equipment of
25 State agencies.

26 (6) The Governor's recommendations on the use of
27 properties specified under section 10003(7) (relating to
28 duties of State agencies).

29 (7) A report on the cost of the Commonwealth's overall
30 debt for the previous fiscal year and the current fiscal year

1 and the estimated cost for the next five fiscal years,
2 including all of the following:

3 (i) The outstanding general obligation debt and debt
4 service costs.

5 (ii) The costs of leases and installment obligations
6 for capital projects.

7 (iii) The costs of long-term liabilities as recorded
8 in a schedule of long-term debt changes, including bonded
9 and nonbonded debt changes, in the Commonwealth's annual
10 comprehensive financial report under section 701 of the
11 act of April 9, 1929 (P.L.177, No.175), known as The
12 Administrative Code of 1929.

13 (iv) The unfunded actuarial accrued liability for
14 the Commonwealth's retirement systems and postretirement
15 medical and other benefits.

16 (8) An assessment of the Commonwealth's ability to
17 increase the Commonwealth's overall debt and the Governor's
18 recommendation on the amount of the increase in the
19 Commonwealth's overall debt. In developing the assessment and
20 recommendation under this paragraph, the Governor shall
21 consider the criteria used by municipal securities rating
22 services in rating the Commonwealth's debt obligations and
23 any other information that the Governor deems relevant to the
24 assessment and recommendation.

25 (9) The certified debt limit for capital projects under
26 section 10004 (relating to debt limit for capital projects).
27 § 10003. Duties of State agencies.

28 No later than October 15 of each year, a State agency shall
29 provide the Governor and the members of the General Assembly
30 with all of the following:

1 (1) A detailed list of capital projects that the State
2 agency seeks to commence, continue or complete for the State
3 agency's purposes in the next three fiscal years.

4 (2) The impact of the capital projects under paragraph
5 (1) on future operating expenses of the State agency and
6 relevant supporting data.

7 (3) Economic forecasts of the State agency's capital
8 projects that will be commenced, continued or completed in
9 the four fiscal years after the capital projects under
10 paragraph (1) are completed as may be necessary for all of
11 the following:

12 (i) The adequate presentation of the State agency's
13 capital projects.

14 (ii) Compiling a schedule for the planning,
15 implementation or construction of the State agency's
16 capital projects.

17 (4) A schedule for the next fiscal year of the State
18 agency's requested appropriations of funds from the issuance
19 of bonds authorized under the laws of this Commonwealth.

20 (5) A report with information on the State agency's
21 capital projects that have been recently commenced, continued
22 or completed or are in the process of being commenced,
23 continued or completed.

24 (6) A report with information on the maintenance of the
25 State agency's physical properties and capital equipment.

26 (7) The status of real property owned or leased by the
27 State agency and the current or future availability of the
28 real property for other uses by the Commonwealth.

29 (8) Any other information requested by the Governor or a
30 member of the General Assembly regarding the State agency's

1 capital projects.

2 § 10004. Debt limit for capital projects.

3 (a) Certification.--No later than December 1 of each year,
4 the Auditor General shall certify the debt limit for capital
5 projects funded by the issuance of bonds for the previous fiscal
6 year to ensure that the cost does not cause the amount of all of
7 the Commonwealth's net debt outstanding to exceed one and three-
8 quarters times the average of the annual tax revenues deposited
9 in the previous five fiscal years in accordance with section 7
10 of Article VIII of the Constitution of Pennsylvania. The Auditor
11 General shall provide the certification to the Governor, State
12 Treasurer and Independent Fiscal Office and post the
13 certification on the Department of the Auditor General's
14 publicly accessible Internet website.

15 (b) Quarterly analysis.--The Auditor General shall provide a
16 quarterly analysis of the debt limit for capital projects under
17 subsection (a) to the Governor, State Treasurer and Independent
18 Fiscal Office and post the quarterly analysis on the Department
19 of the Auditor General's publicly accessible Internet website.

20 § 10005. Prohibition on exceeding debt limit for capital
21 projects.

22 In order to enforce the provisions of section 7 of Article
23 VIII of the Constitution of Pennsylvania, all of the following
24 apply:

25 (1) The General Assembly shall not pass a capital budget
26 bill with expenditures that exceed the debt limit certified
27 by the Auditor General under section 10004 (relating to debt
28 limit for capital projects).

29 (2) The Governor shall not approve a capital budget bill
30 with expenditures that exceed the debt limit certified by the

1 Auditor General under section 10004.

2 (3) The State Treasurer shall not pay for expenditures
3 in a capital budget bill with expenditures that exceed the
4 debt limit certified by the Auditor General under section
5 10004.

6 § 10006. Legislative oversight.

7 (a) Hearings.--The Appropriations Committee of the Senate
8 and the Appropriations Committee of the House of Representatives
9 shall hold no fewer than three hearings on the plan before
10 taking legislative action on a capital budget bill.

11 (b) Fiscal notes.--A copy of the certification under section
12 10004(a) (relating to debt limit for capital projects) shall be
13 attached as part of the fiscal note for a capital budget bill.

14 Section 3. This act shall take effect immediately.