

Veto No. 1993-1

SB248

December 23, 1993

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, Senate Bill 248, Printer's No.1526, entitled "An act amending the act of December 20, 1982 (P.L.1442, No.327), entitled 'An act providing for the historic preservation of the State Capitol Building, establishing a Capitol Preservation Committee and establishing the Capitol Restoration Trust Fund,' enlarging the scope of the act; and further providing for the Capitol Restoration Trust Fund and operating expenses of the Capitol Preservation Committee."

This bill amends the State Capitol Preservation Act by including the restoration and renovation of the Capitol Annex as part of the purpose of the Capitol Restoration Trust Fund. It also purports to transfer any money appropriated but not expended by the Department of General Services for the restoration and renovation of the Capitol Annex, plus interest, to the trust fund.

The only funds which are currently designated for this purpose are for a capital project which was authorized for legislative use in Act 1992-188. While money is technically appropriated for the project, it is from the proceeds of a future bond sale. Bonds are only sold to fund projects as money is needed to pay bills incurred for the project. This is in part to restrict debt service payments but also to comply with Federal arbitrage requirements which would penalize the Commonwealth if bond proceeds are not distributed for projects within six months of the bond sale. Failure to pay the penalties could jeopardize the tax exempt status of all our capital bonds. Requirements of the Capital Facilities Fund also limit payment of bond proceeds from the fund to when financial costs of capital projects are legally due and payable. Thus, while the bill expands the scope of the State Capitol Preservation Act to include restoration of the Capitol Annex, it does not actually transfer any funds for that purpose since no bond proceeds have been allocated to the Department of General Services for this project.

Furthermore, the language in Senate Bill 248 is not sufficient to effectuate a transfer of the Capitol Annex project to the Capitol Preservation Committee since the bill does not expressly authorize the Capitol Preservation Committee to engage in a capital project for the renovation and conversion of the Capitol Annex and does not remove the project from the control of the Department of General Services.

Clearly, the General Assembly intends through this legislation to move forward with restoration of the historic Capitol Annex building. While I feel compelled to veto Senate Bill 248 for the reasons specified above, I do not object to the underlying purpose of the bill. Therefore, it is my intention to

advance the Capitol Annex restoration. After consultation with leaders of the General Assembly, the Budget Office will develop a schedule for the release of the previously authorized capital project. Under this approach, the Department of General Service will manage construction activities and consult with the Capitol Preservation Committee throughout that process.

ROBERT P. CASEY