

No. 1982-243

AN ACT

SB 622

Amending the act of May 14, 1915 (P.L.524, No.227), entitled "An act creating a fund for the purpose of rebuilding, restoring, and replacing buildings, structures, equipment, or other property of the Commonwealth of Pennsylvania, damaged or destroyed by fire or other casualty, and regulating the placing of insurance thereon, and providing penalties for any violation of the provisions of this act," specifically including damage or destruction from flood and flood-related hazards, providing for additional revenues for the fund, increasing the amount which may be retained by the fund before the excess is transferred to the General Fund and making certain editorial changes.

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

Section 1. Section 1, act of May 14, 1915 (P.L.524, No.227), entitled "An act creating a fund for the purpose of rebuilding, restoring, and replacing buildings, structures, equipment, or other property of the Commonwealth of Pennsylvania, damaged or destroyed by fire or other casualty, and regulating the placing of insurance thereon, and providing penalties for any violation of the provisions of this act," amended May 8, 1919 (P.L.157, No.104), is amended to read:

Section 1. Be it enacted, &c., That, for the purpose of creating a fund for the rebuilding, restoration, and replacement of any structures, buildings, equipment, or other property, owned by the Commonwealth of Pennsylvania, and damaged or destroyed by fire or other casualty, *including boiler explosion, flood and flood-related hazards or any other natural disasters*, the following funds, income, and revenue, of the Commonwealth of Pennsylvania are hereby specifically dedicated, appropriated, and set apart, to constitute a fund separate and apart from all other funds of the Commonwealth, and to be known as the Insurance Fund; to wit,

(a) All moneys now in the custody of the State Treasurer heretofore "Appropriated and set apart for the purpose of paying the present indebtedness and the interest thereon, and such further indebtedness as may hereafter be contracted on the part of the Commonwealth," and commonly known as the sinking-fund, in excess of the total amount of the funded obligation or indebtedness of the Commonwealth chargeable thereto; the amount of such excess in the sinking-fund to be determined by the State Treasurer, audited by the Auditor General, and approved by the Board of [Sinking-Fund Commissioners] *Finance and Revenue*, as of the date of the approval of this act.

[(b) One-half of all taxes received upon premiums of foreign fire insurance companies after the date of the approval of this act.]

(c) All payments hereafter made by insurance companies on account of loss or damage to property of the Commonwealth, caused by fire or other casualty, or on account of the cancellation of existing policies of

insurance.

(d) All income received from interest upon deposits in bank, or upon securities in which the said fund may be invested.

(e) All income received from the excess tax on foreign fire insurance companies from retaliatory provisions with other states.

Section 2. Sections 2, 3 and 4 of the act are amended to read:

Section 2. The said fund, and all interest, increment, and additions thereto, shall be and remain in the custody of the State Treasurer, and shall be invested and reinvested by him, under the supervision and direction of the Board of **[Sinking-Fund Commissioners]** *Finance and Revenue*, in lawfully issued interest-bearing securities of the United States of America, the Commonwealth of Pennsylvania, or any other of the United States, or any county, city, borough, or school district of this Commonwealth, or any obligations of municipalities of other States, but, preferably, in such securities issued by municipalities within this Commonwealth: Provided, however, That current receipts and income applicable to said fund shall be deposited, at interest, in the legal depositories of the public funds, until the same shall accumulate in sufficient amount to justify the investment thereof in interest-bearing securities, as hereinbefore provided.

Section 3. The said fund hereby created shall be available for expenditure, in the manner hereinafter provided, for the rebuilding, restoration, or replacement of buildings, structures, equipment, or other property owned by the Commonwealth, and damaged or destroyed by fire, *boiler explosion, flood and flood-related hazards or any other natural disasters*, or other casualty, and for no other purpose whatsoever. And, for such purpose, the State Treasurer is authorized and directed, by and with the consent and approval of the Board of **[Sinking-Fund Commissioners]** *Finance and Revenue*, to make sale, from time to time, of such part of such securities as may be necessary for the purpose of this act.

Section 4. (a) Whenever the total amount of said fund shall exceed the sum of **[one] three** million dollars, no further investment in securities shall be made on account thereof; but all additional income and receipts applicable thereto shall be deposited in legal depositories of public funds, and the excess, over and above the said sum of **[one] three** million dollars, shall be transferred annually, on the thirty-first day of December, to the general fund of the State Treasury.

(b) *In the event of a catastrophic loss which completely exhausts the moneys in the State Insurance Fund, the General Assembly shall provide the necessary funds in order to meet the requirements of the National Flood Insurance Program. For the purposes of this section the term "catastrophic loss" shall mean any damages covered under section 3 which are in excess of the three million dollars available in the State Insurance Fund.*

Section 3. Section 5 of the act, amended April 22, 1943 (P.L.64, No.39), is amended to read:

Section 5. Whenever loss or damage by fire, *boiler explosion, flood*

or flood-related hazards or any other natural disasters, or other casualty shall occur to any structure, building, equipment, or other property owned by the Commonwealth of Pennsylvania, the department, board of trustees, overseers, commissioners, or other branch of the State government having control or custody thereof, shall make report of such loss or damage to the **[Superintendent of Public Grounds and Buildings;] Secretary of General Services**, setting forth specifically the use and character of the structure, building, equipment, or other property damaged or destroyed, the original cost thereof, the estimated amount of the loss or damage, and cost of restoration, rebuilding, or replacement, and such other data and information as may be required by the said **[Superintendent of Public Grounds and Buildings,] Secretary of General Services**, who shall make such examination and investigation as may be necessary and report the result thereof to the Board of Commissioners of Public Grounds and Buildings; whereupon the Board of Commissioners of Public Grounds and Buildings may, in its discretion, authorize the rebuilding, restoration, or replacement of the property damaged or destroyed; and, for that purpose is hereby authorized to have plans and specifications prepared, and contracts executed, and to supervise the erection, construction, or replacement thereof, under the supervision of the **[Superintendent of Public Grounds and Buildings,] Secretary of General Services** or other duly authorized agent of the Board of Public Grounds and Buildings; such rebuilding, restoration, or replacement to be in substantial accord with the original character, use, and purpose of the property damaged or destroyed.

Section 4. The act is amended by adding a section to read:

Section 5.1. With regard to flood and flood-related hazards, the fund shall provide coverage to individual State-owned buildings and their contents equal to the coverage which would otherwise be required by the Federal Government under its National Flood Insurance Program.

Section 5. Section 6 of the act is amended to read:

Section 6. All expenditures on account of contracts entered into under the provisions of this act shall be examined by the **[Superintendent of Public Grounds and Buildings] Secretary of General Services**; and, if found correct, he shall certify to the Board of Commissioners of Public Grounds and Buildings that the materials have been furnished, and the work and labor have been performed, in accordance with the plans, specifications, and contracts approved by the said board; and, after having been so certified by him, shall be approved by the Executive Controller; and, when so approved, shall be audited, settled, and paid by the Auditor General and the State Treasurer, in the manner provided by law: Provided, That, whenever the Board of Commissioners of Public Grounds and Buildings shall have taken such action as will involve expenditures from said fund, they shall forthwith certify the probable amount of expenditure to the State Treasurer and Board of **[Sinking-Fund Commissioners] Finance and Revenue**, who shall forthwith take such action as is necessary to provide funds sufficient to meet the obliga-

tions so entered into.

Section 6. This act shall take effect immediately.

APPROVED—The 9th day of December, A. D. 1982.

DICK THORNBURGH