

No. 2005-41

AN ACT

HB 182

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," further providing for transfer of certain funds from the General Fund to the Budget Stabilization Reserve Fund; reenacting provisions relating to the Tobacco Settlement Fund; further providing for deposits and for expiration; and providing for investment powers for the State Workers' Insurance Board and for payment of certain administrative expenses and claims from the State Lottery Fund.

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

Section 1. Section 1702-A(b) of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, added June 29, 2002 (P.L.614, No.91), is amended to read:

Section 1702-A. Funding.

* * *

(b) Transfer of portion of surplus.—

(1) Except as may be provided in paragraph (2), for [the] fiscal [year] years beginning [July 1,] *after June 30, 2002*, [and in any fiscal year thereafter in which] *the following apply:*

(i) *Except as set forth in subparagraph (ii), if the Secretary of the Budget certifies that there is a surplus in the General Fund for a specific fiscal year, 25% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Stabilization Reserve Fund.*

(ii) *If the Secretary of the Budget certifies, after June 30, 2005, that there is a surplus in the General Fund for the fiscal year 2004-*

2005, 15% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Stabilization Reserve Fund.

(2) If, at the end of any fiscal year, the ending balance of the Budget Stabilization Reserve Fund equals or exceeds 6% of the actual General Fund revenues received for the fiscal year in which the surplus occurs, 10% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Reserve Stabilization Fund.

* * *

Section 2. Sections 1721-A and 1722-A of the act, added June 29, 2002 (P.L.614, No.91), are reenacted and amended to read:

Section 1721-A. Deposits.

(a) Funds.—Notwithstanding [sections 303(b) and 306(c)] ***sections 303(b)(3) and (4) and 306(b)(1)(iii) and (vi)*** of the act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, the following shall apply:

(1) For fiscal year [2002-2003] ***2005-2006***, funds derived pursuant to section 303(b)(3) of the Tobacco Settlement Act shall be deposited into the Tobacco Settlement Fund.

[(2) Funds lapsed pursuant to section 306(c) in fiscal years 2001-2002 and 2002-2003 shall be deposited into the Tobacco Settlement Fund.]

(2) For fiscal year 2005-2006, the funds derived pursuant to section 303(b)(4) of the Tobacco Settlement Act during fiscal year 2004-2005 shall be deposited into the Tobacco Settlement Fund.

(3) For fiscal year 2005-2006, one-fourth of the moneys appropriated pursuant to section 306(b)(1)(iii) of the Tobacco Settlement Act may not be expended, transferred or lapsed but shall remain in the Tobacco Settlement Fund.

(4) For fiscal year 2005-2006, one-eighth of the funds appropriated pursuant to section 306(b)(1)(vi) of the Tobacco Settlement Act may not be expended, transferred or lapsed but shall remain in the Tobacco Settlement Fund.

(b) Appropriation.—Money deposited into the Tobacco Settlement Fund under subsection (a) shall be appropriated for health-related purposes in the General Appropriation Act for the fiscal year commencing July 1, [2002.] ***2005. If applicable, the amount appropriated under this subsection shall be matched by appropriate Federal augmenting funds.***

Section 1722-A. Expiration.

This subarticle shall expire July 1, [2003] ***2006***.

Section 3. Article XVII-A of the act is amended by adding subarticles to read:

SUBARTICLE D INVESTMENTS

Section 1731-A. State Workers' Insurance Board.

Notwithstanding any inconsistent provisions of section 1512 of the act of June 2, 1915 (P.L. 736, No.338), known as the Workers' Compensation Act, section 504 of the act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965, section 922 of the act of December 14, 1967 (P.L.746, No.345), known as the Savings Association Code of 1967, and any other law of this Commonwealth, the power of the State Workers' Insurance Board to invest money shall include the power to hold, purchase, sell, assign, transfer and dispose of securities, including common stock with the following restrictions:

(1) Investments in equities may not exceed the lesser of:

- (i) 20% of the State Workers' Insurance Fund's assets; or*
- (ii) the State Workers' Insurance Fund's statutory surplus after discount.*

(2) The State Workers' Insurance Board shall establish a policy for investments and shall meet at least annually to develop a schedule for rebalancing its investments in securities to meet the restriction of paragraph (1).

Section 1732-A. Expiration.

This subarticle shall expire June 30, 2009.

SUBARTICLE E STATE LOTTERY FUND

Section 1741-A. Payment of administrative expenses.

Notwithstanding any provision of law to the contrary, funds for the payment of administrative expenses and other costs incurred in the administration of Chapters 3, 5 and 9 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, may be paid from the State Lottery Fund.

Section 1742-A. Payment of administrative expenses and claims.

Expenses, salaries, other costs incurred in the administration of Article XXII-A of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and approved claims under the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, may be paid from the State Lottery Fund established by the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

Section 4. All acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 5. This act shall take effect immediately.

APPROVED—The 7th day of July, A.D. 2005.

EDWARD G. RENDELL