AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," providing for infrastructure revenue; and making a related repeal.

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

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
the Tax Reform Code of 1971, is amended by adding an article to read:

ARTICLE XXVI

INFRASTRUCTURE REVENUE

PART I

PRELIMINARY PROVISIONS

Section 2601. Short title.

This article shall be known and may be cited as the Restore Pennsylvania Act.

Section 2602. Definitions.

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

"Average annual price of natural gas." As defined in 58 Pa.C.S. § 2301 (relating to definitions).

"Fund." The Restore Pennsylvania Fund established under section 2636.

"Lease." An agreement conveying to a lessee the right to remove or recover oil, natural gas or gas of any other designation from land of the lessor.

"Meter." A device to measure the passage of volumes of gases or liquids past a certain point.

"Natural gas." As defined in 58 Pa.C.S. § 2301.

"Producer." As defined in 58 Pa.C.S. § 2301.

"Royalty payment." A payment made by a lessee to a lessor in accordance with section 2612 and the act of July 20, 1979 (P.L.183, No.60), known as the Oil and Gas Lease Act.

"Sever." The extraction or other removal of natural gas from an unconventional formation in this Commonwealth. The term does not include the extraction or other removal of natural gas, in
gaseous or liquid form, which is burned, used, consumed or
otherwise employed in oil and gas operations at a natural gas
well site:

(1) for secondary recovery;
(2) for re-pressuring;
(3) for pressure maintenance; or
(4) as fuel for equipment.

"Storage field." A natural gas formation or other site that
is used to store natural gas that did not originate from and has
been transplanted into the formation or site.

"Trigger date." The date 60 days after the effective date of
this section.

"Unconventional formation." As defined in 58 Pa.C.S. § 2301.
"Unconventional gas well." As defined in 58 Pa.C.S. § 2301.
"Unit." A thousand cubic feet (MCF) of natural gas at a
temperature of 60 degrees Fahrenheit and an absolute pressure of
14.73 pounds per square inch, in accordance with American Gas
Association (AGA) standards and according to Boyle's law for the
measurement of gas under varying pressures with deviations
therefrom as follows:

(1) The average absolute atmospheric pressure shall be
assumed to be 14.4 pounds to the square inch, notwithstanding
the actual elevation or location of point of delivery above
sea level or variations in the atmospheric pressure.

(2) The temperature of the gas passing the meters shall
be determined by the continuous use of a recording
thermometer installed so that the thermometer may properly
record the temperature of the gas flowing through the meters.
The arithmetic average of the temperature recorded each 24-
hour day shall be used in computing gas volumes. If a
recording thermometer is not installed, or if installed and
not operating properly, an average flowing temperature of 60
degrees Fahrenheit shall be used in computing gas volume.

(3) The specific gravity of the gas shall be determined
by tests made by the use of an Edwards or Acme gravity
balance annually or at intervals as are found necessary in
practice. Specific gravity shall be used in computing gas
volumes.

(4) The deviation of the natural gas from Boyle's law
shall be determined by tests annually or at other shorter
intervals as are found necessary in practice. The apparatus
and the method to be used in making the tests shall be in
accordance with recommendations of the National Bureau of
Standards of the Department of Commerce or Report No. 3 of
the Gas Measurement Committee of the American Gas
Association, or any amendments of the report. The results of
the tests shall be used in computing the volume of gas
delivered.

"Wellhead meter." A meter placed at a producing site to
measure the actual volume of natural gas severed.

PART II

IMPOSITION AND PAYMENT OF TAX

Section 2611. Volumetric severance tax.

(a) Imposition.--Each unconventional gas well shall pay a
volumetric severance tax. The imposition of the volumetric
severance tax under this article shall not affect the collection
and distribution of the unconventional gas well fee imposed
under 58 Pa.C.S. Ch. 23 (relating to unconventional gas well
fee).

(b) Computation.--The volumetric severance tax payable under
subsection (a) shall be calculated by applying the applicable
rate under subsection (b.1) to natural gas severed from the
unconventional gas well subject to the tax during the imposition
period under subsection (b.2).

    (b.1) Tax rate.--The tax rate shall be as follows:

      (1) If the average annual price of natural gas for the
calendar year immediately preceding the start of the
imposition period is less than $3.00, the tax rate shall be
$0.091 per unit severed.

      (2) If the average annual price of natural gas for the
calendar year immediately preceding the start of the
imposition period is equal to or greater than $3.00 and less
than $5.00, the tax rate shall be $0.109 per unit severed.

      (3) If the average annual price of natural gas for the
calendar year immediately preceding the start of the
imposition period is equal to or greater than $5.00 and less
than $6.00, the tax rate shall be $0.131 per unit severed.

      (4) If the average annual price of natural gas for the
calendar year immediately preceding the start of the
imposition period is equal to or greater than $6.00, the tax
rate shall be $0.157 per unit severed.

    (b.2) Imposition period.--The imposition period shall be as
follows:

      (1) For fiscal year 2019-2020, the imposition period
shall be from January 1, 2020, to April 30, 2020.

      (2) For fiscal year 2020-2021 and each fiscal year
thereafter, the imposition period shall be from May 1 of the
preceding fiscal year to April 30 of the current fiscal year.

    (b.3) Payment.--The volumetric severance tax imposed under
this article shall be due on the same day the report is due.
under subsection (b.4). The tax shall become delinquent if not
remitted to the Department of Revenue on the reporting date.

(b.4) Report.--By June 15, 2020, and June 15 of each year
thereafter, each producer shall submit payment of the volumetric
severance tax to the Department of Revenue and a report on a
form prescribed by the Department of Revenue for the imposition
period.

(b.5) Exemptions.--The volumetric severance tax imposed
under this article shall not be imposed on the following:

(1) natural gas severed, sold and delivered by a
producer at or within five miles of the producing site for
the processing or manufacture of tangible personal property
as defined under section 201;

(2) natural gas severed under a natural gas lease and
provided to a lessor for no consideration for the lessor's
own use;

(3) natural gas severed from a storage field; or

(4) a stripper well as defined under 58 Pa.C.S. § 2301
(relating to definitions).

(c) Volume measurement.--

(1) Except as provided under paragraph (2), for purposes
of computing the volumetric severance tax, natural gas
severed shall be measured at the wellhead meter.

(2) Natural gas severed prior to the trigger date shall
be measured according to the standards and methods used for
reporting natural gas production to the Department of
Environmental Protection.

(d) Administration.--The Department of Revenue shall enforce
the provisions of this article and may prescribe, adopt,
promulgate and enforce rules and regulations relating to any
matter or thing pertaining to the administration or enforcement
of the provisions of this article and the collection of taxes
imposed by this article.

(e) Deposit.--Money collected from the volumetric severance
tax under this section shall be deposited by the State Treasurer
into the fund.

(f) Payment of tax.--A producer may not make the tax imposed
under this section on natural gas severed under a lease an
obligation, indebtedness or liability of the lessor and may not
otherwise require the lessor to reimburse the producer for the
amount of the tax.

Section 2612. Minimum royalty.

(a) Royalty.--The term "royalty" under the act of July 20,
1979 (P.L.183, No.60), known as the Oil and Gas Lease Act, shall
mean the lessor's ownership interest in the gross proceeds
generated at the first arm's length point of sale of oil,
natural gas or gas of other designations, to a third-party
purchaser unaffiliated with the lessee, or to the extent the
underlying lease allows the lessor to take the lessor's royalty
in-kind, the lessor's ownership interest in the oil, natural gas
or gas of other designations at the same location, but from
which ownership interest is excluded the costs of development
and drilling and all postproduction expenses incurred by the
lessee between the well-head and the point of sale.

(b) Applicability.--The application of the term "royalty"
under subsection (a) shall only apply to oil, natural gas or gas
of any other designation recovered and sold by a lessee on or
after the effective date of this section.

Section 2613. Remedy.

(a) Civil action and venue.--A lessor who is party to a

lease may file an action for failure of the lessee to pay the
royalty as defined in section 2612 in the court of common pleas
of the county where the land of the lessor is located or the
county in this Commonwealth in which the lessor resides.

(b) Burden of proof.--

(1) Demonstration by a lessor who is party to a lease
that the lessee has made a royalty payment which is less than
the amount required under section 2612(a) shall create a
presumption that a violation has occurred.

(2) The presumption under paragraph (1) may be rebutted
if the lessee presents clear and convincing evidence that the
required royalty payment was made.

(c) Effect of notice and failure to cure.--In an action in
which a court finds that the lessee who is party to a lease has
violated the terms relating to guaranteed royalty, the lessor
shall be entitled to the remedies under subsections (d) and (e)
if, before filing suit, the lessor gave to the lessee 30 days'
written notice by certified mail of the deficiency and the
lessee failed to cure the deficiency.

(d) Additional remedies.--In addition to actual damages and
any other remedy deemed appropriate by the court, the court
shall award to the lessor reasonable attorney fees and costs in
bringing the action, including expert witness fees.

(e) Treble damages.--If the court finds that the lessee
acted willfully in failing to pay the royalty payment due or
where a lessee has been previously found to have failed to pay
the royalty payment due, the court may award treble damages to
the lessor.

(f) Other remedies not precluded.--The remedies provided
under this section are not exclusive of, do not require
exhaustion of and shall be in addition to any other remedies provided by the lease, by law or in equity.

PART III

RESTORE PENNSYLVANIA PROGRAM

Section 2621. Definitions.

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


"Board." The Restore Pennsylvania Board established under section 2623.

"Commonwealth agency." A department, board, commission, authority or other officer or agency of the Commonwealth. The term does not include any court or other officer or agency of the unified judicial system or the General Assembly or an officer or agency of the General Assembly.

"Department." The Department of Community and Economic Development.

"Program." The Restore Pennsylvania Program established under section 2622.

Section 2622. Establishment of program.

There is established the Restore Pennsylvania Program. The program shall provide financial assistance in the form of grants, loans or other forms of financing or funding for eligible uses under section 2624.

Section 2623. Restore Pennsylvania Board.

(a) Establishment.--The Restore Pennsylvania Board is established within the department.

(b) Composition.--The board shall be composed of the
following members:

(1) Three individuals appointed by the Governor.

(2) One individual appointed by the President pro tempore of the Senate.

(3) One individual appointed by the Minority Leader of the Senate.

(4) One individual appointed by the Speaker of the House of Representatives.

(5) One individual appointed by the Minority Leader of the House of Representatives.

(c) Chairperson.--The Governor shall select a member of the board to serve as chairperson. The members of the board shall select from among themselves any other officers as they shall determine.

(d) Meetings.--The board shall meet at the call of the chairperson. The board shall meet at least once every 12 months.

(e) Quorum.--Six members of the board shall constitute a quorum. The following apply:

(1) Consent of at least six members shall be necessary to take action to allocate funds under section 2624(a).

(2) A majority of the members of the board shall be necessary to take any other action.

(f) Participation and voting.--The following apply:

(1) Members of the board may participate in a meeting by telephone conference or other electronic technology by means in which all individuals participating in the meeting can hear each other.

(2) Members of the board may delegate votes to designees acting on their behalf only after informing the chairperson in writing.
(g) Compensation.--The members of the board shall receive no
compensation for their services as members of the board but
shall be reimbursed for all necessary and reasonable expenses
incurred in connection with the performance of their duties as
members of the board.

(h) Appointments.--Appointing authorities shall appoint
initial members to the board within 30 days of the effective
date of this subsection. Any appointee to the board may be
removed with or without cause by the appointing authority.
Whenever a vacancy occurs on the board, the appointing authority
shall appoint a successor member within 30 days of the vacancy.

(i) Administrative assistance.--The department shall provide
administrative assistance to the board.

Section 2624. Use of funds.

(a) Allocation of funds.--The following apply:

(1) After the bond proceeds have been applied under Part
IV, the board shall allocate the remaining bond proceeds
among all of the following categories:

(i) High-speed Internet access.

(ii) Flood control infrastructure.

(iii) Disaster response.

(iv) Green infrastructure.

(v) Blight demolition and redevelopment.

(vi) Storm water infrastructure.

(vii) Brownfield clean-up.

(viii) Contaminant remediation.

(ix) Business development and site selection.

(x) Energy efficiency.

(xi) Transportation infrastructure.

(2) The board may annually adjust the allocations under
paragraph (1) as permitted by law.

(3) Within 15 days of the determination of the allocations or adjustment of the allocations under paragraph (1) or (2), the board shall provide the authority and the Secretary of the Budget with a written notification of the allocations of funds.

(b) Financial assistance.--After the board provides the written notification required under subsection (a)(3), the funds shall be used to provide financial assistance in the form of grants, loans or other forms of financing or funding, as determined by the Secretary of the Budget, as provided under subsection (c).

(c) Use.--The following apply:

(1) For high-speed Internet access, funds may be used by the department for the establishment by the department of a Pennsylvania Broadband Development Program. The Pennsylvania Broadband Development Program shall provide grants, loans or other forms of financing for the planning and construction of infrastructure to provide broadband service to unserved and underserved areas of this Commonwealth. The following may apply for funding under the Pennsylvania Broadband Development Program:

(i) For-profit and nonprofit entities.

(ii) Commonwealth agencies and political subdivisions.

(iii) Rural electric cooperatives organized or qualified to do business in this Commonwealth under 15 Pa.C.S. Ch. 73 (relating to electric cooperative corporations).

(2) For flood control infrastructure, funds may be used
as follows:

(i) For the Stream Improvement Program administered by the Department of Environmental Protection to provide grants to municipalities and county conservation districts for stream restoration and maintenance projects.

(ii) For grants from the Pennsylvania Infrastructure Investment Authority to Commonwealth agencies and political subdivisions for the acquisition, construction, improvement, including the installation of security measures, expansion, repair or rehabilitation of all or part of a flood control system. As used in this subparagraph, the term "flood control system" includes levees, dikes, walls, culverts, revetments, dams, including high hazard unsafe dams, lakes, reservoirs and other works and improvements deemed necessary to prevent floods or control, preserve, restore and regulate the flow of rivers and streams.

(3) For disaster response measures, funds may be used by the Pennsylvania Emergency Management Agency as follows:

   (i) To establish the Disaster Assistance Trust Fund for the purpose of providing grants to meet disaster-related necessary expenses or serious needs of individuals or families directly affected by a declared disaster emergency under 35 Pa.C.S. Ch. 73 Subch. A (relating to the Governor and disaster emergencies), regardless of whether a Presidential disaster declaration was issued for the area. Grants under this subparagraph shall be limited to expenses or needs that are not covered by private insurance or do not qualify for
Federal assistance.

(ii) To establish the Pipeline Preparedness and Response Fund for the following purposes:

(A) Funding State-administered emergency response training, planning and coordination for county or municipal employees, volunteer firefighters or volunteer emergency medical technicians.

(B) Providing grants to counties, municipalities and school districts where a natural gas or hazardous liquid pipeline is located in a high consequence area as determined by the Pennsylvania Emergency Management Agency. Grants under this clause shall be awarded for emergency planning, coordination, communication and implementation, training and equipment acquisition.

(iii) To provide a reimbursement for the costs incurred by a county or municipality during a response to an emergency relating to pipelines within the county or municipality. The costs eligible for reimbursement may include police and fire protection costs for the county or municipality during the response.

(4) For green infrastructure, funds may be used as follows:

(i) By the Department of Environmental Protection for existing programs for watershed protection, mine and acid mine drainage remediation and for plugging of abandoned oil and gas wells.

(ii) By the Department of Conservation and Natural Resources for existing programs to improve State parks and State forests, watershed restoration and open space.
preservation, and provide community park and recreation
grants.

(iii) By the Department of Agriculture for existing
programs for county-based farmland preservation and for
transfer to the State Conservation Commission to provide
financial and technical assistance grants to conservation
districts for the implementation of best management
practices on farms within this Commonwealth.

(iv) By the department to fund main street and
downtown redevelopment relating to smart growth.

(v) By the Pennsylvania Fish and Boat Commission for
capital improvement projects for existing lands and
facilities.

(vi) By the Pennsylvania Game Commission for capital
improvement projects to existing lands and facilities.

(vii) By the Department of Transportation and the
Department of Conservation and Natural Resources for the
purpose of funding the development of new all-terrain
vehicle trails, connectors and feasibility studies.

(5) For blight demolition and redevelopment, funds may
be used by the department to establish the Blight Demolition
and Redevelopment Fund for the purpose of providing grants,
loans or other forms of financing to local entities,
including land banks, counties, cities, municipalities,
redevelopment authorities, economic development groups,
community development agencies and others for the planning,
demolition, remediation and redevelopment of blighted areas.

(6) For storm water infrastructure, funds may be used by
the Department of Environmental Protection for the
establishment of the Storm Water Control Grant Program for
the purpose of providing grants to authorities and
municipalities with separate storm sewers as defined by 40
CFR 122.26(b)(8) (relating to storm water discharges
(applicable to State NPDES programs, see § 123.25)) to
implement pollution reduction plans and for compliance with
the act of October 4, 1978 (P.L.864, No.167), known as the
Storm Water Management Act. Priority for participation in the
Storm Water Control Grant Program shall be given to eligible
applicants that are currently subject to a Federal or State
court or agency order, consent decree or new permit discharge
requirements and eligible applicants that propose to work to
achieve cost effective compliance as part of a regional
 collaborative approach.

(7) For brownfield clean-up, funds may be used for
providing funding to the Hazardous Sites Cleanup Fund
established under section 1761-A of The Fiscal Code, for uses
consistent with the act of October 18, 1988 (P.L.756,
No.108), known as the Hazardous Sites Cleanup Act.

(8) The following apply:

(i) For contaminant remediation, funds may be used

as follows:

(A) By the Department of Health to provide
grants to abate lead contaminated paint found in
schools, child care centers and residences in this
Commonwealth.

(B) By the Department of Education and the
Department of Human Services to provide grants to
remediate lead contamination in the drinking water of
schools and child care centers in this Commonwealth.

(C) By the Pennsylvania Infrastructure
Investment Authority for funding a Perfluorinated
Compound Remediation Program to provide grants to
treat per- and polyfluoroalkyl substances (PFAS) in
drinking water throughout this Commonwealth. The
Pennsylvania Infrastructure Investment Authority
shall be authorized to recover funds from responsible
parties.

(ii) As used in this paragraph, "child care center"
means the premises where care is provided at any one time
for seven or more children unrelated to the operator.

(9) For business development and site selection, funds
may be used for the Business in Our Sites Program established
under 64 Pa.C.S. § 1551 (relating to Business in Our Sites
Program) to provide financial assistance.

(10) For energy efficiency, funds may be used as
follows:

(i) By the department for the Alternative and Clean
Energy Program to provide grants or loans for the
utilization, development and construction of alternative
and clean energy projects in this Commonwealth.

(ii) To provide funds to the Natural Gas
Infrastructure Development Fund established under section
1742-A.1 of the act of April 9, 1929 (P.L.343, No.176),
known as The Fiscal Code.

(11) For transportation infrastructure, funds may be
used as follows:

(i) By the Department of Transportation to provide
funds to the Multimodal Transportation Fund for all of
the following purposes:

(A) The construction, reconstruction or
maintenance of any roads and bridges owned or
maintained by a county, municipality, person,
association or corporation, other than a highway or
bridge owned, controlled or maintained by the
Department of Transportation or any tolling
authority.

(B) To increase bike and pedestrian paths and
access.

(ii) By the Department of Transportation to fund the
maintenance of State-owned four-digit roads in counties
with a population of less than 150,000.

(iii) By the Department of Conservation and Natural
Resources and the State Conservation Commission to
provide grants for dirt, gravel and low-volume road
maintenance as provided under 75 Pa.C.S. § 9106 (relating
to dirt, gravel and low-volume road maintenance).

(iv) To provide funds to the Public Transportation
Trust Fund to provide financial assistance for programs
of Statewide significance under 74 Pa.C.S. § 1516
(relating to programs of Statewide significance).

(d) Diversity.--In providing financial assistance in the
form of grants, loans or other forms of financing or funding
under subsection (b), a Commonwealth agency shall consider
regional and socioeconomic diversity. When a Commonwealth agency
uses a competitive grant process as the method for providing
financial assistance, the Commonwealth agency shall provide
outreach and educational programming to encourage and support
the submission of applications from varying types of
communities.

(e) Matching funds.--
(1) Notwithstanding any other provision of law, a Commonwealth agency shall determine whether financial assistance provided under subsection (b) shall be matched with other funds. When matching is required, the Commonwealth agency shall establish criteria for the amount and type of matching funds.

(2) Nothing in this part shall be construed to prohibit an applicant or a Commonwealth agency from using the funds received under this section as matching funds for other grant opportunities or from using other Federal or State funds to match funds received under this section.

(f) Applications.--To the extent feasible, Commonwealth agencies may permit an applicant to apply to more than one grant program in one application.

(g) Rules and regulations.--A Commonwealth agency may promulgate any rules, regulations, guidelines, forms or procedures and standards as it deems necessary to administer this section.

(h) Program administration.--In order to facilitate the administration of the Restore Pennsylvania Program, a Commonwealth agency may promulgate, adopt and use guidelines which shall be transmitted to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin. Guidelines under this subsection shall not be subject to review under any of the following:

(1) Section 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

PART IV

RESTORE PENNSYLVANIA BONDS

Section 2631. Definitions.

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


"Bond." Any type of revenue obligation, including a bond or series of bonds, note, certificate or other instrument, issued by the authority under this part.

"Bond administrative expenses." Expenses incurred to administer bonds as provided under the Financing Law, or as otherwise necessary to ensure compliance with applicable Federal or State laws.

"Bond obligations." The principal of a bond and any premium and interest payable on a bond, together with any amount owed under a related credit agreement or a related resolution of the authority authorizing a bond.

"Commonwealth agency." A department, board, commission, authority or other officer or agency of the Commonwealth. The term does not include any court or other officer or agency of the unified judicial system or the General Assembly or an officer or agency of the General Assembly.

"Credit agreement." Any loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit or another agreement that enhances the marketability, security or creditworthiness of a bond.
"Department." The Department of Community and Economic Development of the Commonwealth.


"Restore Pennsylvania Bond Account" or "account." The restricted account established under section 2635.

"Restore Pennsylvania Program" or "program." The program established under section 2622.

"Secretary." The Secretary of the Budget of the Commonwealth.

Section 2632. Program funding.

(a) Declaration of policy.--The General Assembly finds and declares that funding the Restore Pennsylvania Program through the authority protects the health, safety and general welfare of the residents of this Commonwealth, is in the best interest of this Commonwealth and is consistent with the Financing Law.

(b) Financing.--Notwithstanding any other provision of law, the following apply:

(1) The authority may issue bonds under the Financing Law, consistent with this article, to provide funding for the Restore Pennsylvania Program or refunding or redeeming of prior bonds.

(2) Participation of an industrial and commercial development authority shall not be required to finance the program or any project or use of funds permitted by this article.

(3) A Commonwealth agency shall be an eligible project applicant under the Financing Law for the purposes consistent with this article.
(c) Debt or liabilities.--

(1) Bonds issued under this article shall not be a debt or liability of the Commonwealth and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth.

(2) Bond obligations and bond administrative expenses shall be payable solely from revenues or funds pledged or available for the repayment of the bond obligations and bond administrative expenses as authorized under this article. Revenues or funds pledged or available under this paragraph include the proceeds of any issuance of bonds.

(3) Each bond shall contain on the bond's face the following statement:

The authority is obligated to pay the principal of the bond or the interest on the bond only from funds made available under Article XXVI of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971. The Commonwealth or a political subdivision is not obligated to pay the principal or interest of the bond. The full faith and credit of the Commonwealth is not pledged to the payment of the principal or interest of the bond.

Section 2633. Bond terms.

(a) Terms.--

(1) The department and the authority, in consultation with the secretary, shall determine all of the following:

(i) The maximum principal amount of the bonds for each separate bond issue.

(ii) The maximum term of the bonds, which shall not exceed 20 years.
(2) The total principal amount of bonds outstanding under this article for all bonds issued shall not exceed $4,500,000,000.

(b) Refunding bonds.---Notwithstanding any other limitation, the authority may issue refunding bonds at any time while bonds that were issued under this article are outstanding.

Section 2634. Issuance of bonds and security.

(a) Issuance.--The issuance of bonds shall be subject to the provisions of the Financing Law, unless otherwise specified under this article.

(b) Agreements.--The authority and the department may enter into loan agreements, credit agreements, bond purchase agreements and other contracts, instruments, service agreements and other agreements in connection with the bonds as necessary to effectuate the purposes of the Financing Law and this article.

(c) Security.--

(1) Bond obligations and bond administrative expenses are secured, for the benefit of the holders of the bonds and the obligees under an agreement under subsection (b), by pledge of security interest in and first lien on all of the following:

(i) All money deposited in the Restore Pennsylvania Bond Account established under section 2635, including all investment income on the money in the account.

(ii) All money relating to the bonds held on deposit in any other fund or account under an instrument or agreement pertaining to the bonds, including bond reserves and interest income on the money.

(2) The security provided under this subsection shall
not apply to money in any fund relating to arbitrage rebate obligations.

(d) General revenue.--The Commonwealth may pledge revenues collected by the Commonwealth for the payment of bond obligations and bond administrative expenses. If money deposited in the Restore Pennsylvania Bond Account is insufficient to timely pay in full bond obligations and bond administrative expenses, the department shall request an appropriation as provided for in the service agreement authorized in section 2637. Payments of general revenue money are subject to and dependent upon the appropriation of money by the General Assembly.

Section 2635. Restore Pennsylvania Bond Account.

(a) Establishment.--There is established in the State Treasury a restricted account in the General Fund to be known as the Restore Pennsylvania Bond Account.

(b) Transfers.--The following apply:

(1) Money held in the fund established under section 2636 and certified by the secretary for the payment of bond obligations and bond administrative expenses for bonds issued under this article shall be deposited into the Restore Pennsylvania Bond Account in sufficient amounts to ensure the timely payment of bond obligations and bond administrative expenses and replenishment of bond reserves under any instrument or agreement relating to the bonds.

(2) General revenues pledged by the Commonwealth under section 2634(d) and certified by the secretary for payment of bond obligations and bond administrative expenses shall be deposited in the Restore Pennsylvania Bond Account to supplement money received under paragraph (1).
Section 2636. Restore Pennsylvania Fund.

(a) Establishment.--The Restore Pennsylvania Fund is established as a special nonlapsing fund in the State Treasury.

(b) Allocations.--Money deposited into the Restore Pennsylvania Fund shall first be allocated to meet the bond obligations and bond administrative expenses as specified under section 2634. The secretary shall certify to the State Treasurer the amounts necessary to meet the bond obligations and bond administrative expenses for the fiscal year, and the State Treasurer shall transfer the amount certified to the Restore Pennsylvania Bond Account without further appropriation.

(c) Excess money.--Money not required to meet the requirements under subsection (b) shall be used for the purposes under section 2624(c).

Section 2637. Service agreements.

The authority and the department may enter into a service agreement to effectuate the provisions of this article, including an agreement to secure bonds issued for the program. Under the service agreement, the department shall agree to pay service charges to the authority in each fiscal year that the bonds or refunding bonds are outstanding in amounts sufficient to timely pay in full the bond obligations and bond administrative expenses and any other financing costs due on the bonds issued for the program. The department's payment of the service charges shall be subject to and dependent upon the appropriation of money by the General Assembly to the department for the payment of the service charges. The service agreement may be amended or supplemented by the department and the authority in connection with the issuance of any series of bonds or refunding bonds authorized under this article.
Section 2638. Use of bond proceeds.

Upon the issuance of bonds, the proceeds shall be applied in the following order:

(1) Paying the costs of the issuance of the bonds.
(2) Funding bond reserves.
(3) Paying for bond administrative expenses.
(4) Redeeming or purchasing outstanding bonds, if applicable.
(5) Paying bond obligations.
(6) Refunding outstanding bonds, if applicable.
(7) Making any other deposit required under any instrument or agreement pertaining to the bonds.

Section 2639. Limitation on appropriations.

(a) Fund payments.--The amount of payments from the Restore Pennsylvania Fund that are pledged and certified by the secretary for the payments of bond obligations and bond administrative expenses and any other financing costs due on the bonds issued under this article and excess money under section 2636 shall not be subject to an appropriation.

(b) Account payments.--Payments from the Restore Pennsylvania Bond Account relating to the issuance of bonds under this article shall not be subject to an appropriation.

Section 2640. Impairment bond-related obligations.

The Commonwealth pledges that it shall not do any of the following actions:

(1) Limit or alter the rights and responsibilities of the authority or the department under this article, including paying bond obligations and bond administrative expenses and complying with any other instrument or agreement pertaining to bonds.
(2) Alter or limit the security interest or pledge
granted under section 2634.

(3) Impair the rights and remedies of the holders of
bonds, until the bonds and interest on the bonds are fully
met and discharged.

Section 2641. Personal liability.
The members, directors, officers and employees of the
department and the authority shall not be personally liable as a
result of good faith exercise of the duties provided under this
article.

Section 2642. Annual report.

(a) Submission.--No later than March 1 of the year following
the first year that bonds are issued under this article and each
year thereafter, if bond obligations exist in the prior year,
the department shall submit an annual report with the available
data on the bonds for the prior year to all of the following:

(1) The chairperson and minority chairperson of the
Appropriations Committee of the Senate.

(2) The chairperson and minority chairperson of the
Appropriations Committee of the House of Representatives.

(b) Contents.--The report under subsection (a) shall
include, but not be limited to, all of the following
information:

(1) Existing and anticipated bond principal and
interest.

(2) Administrative costs, revenue, repayments,
refinancing and overall benefits from the bonds.

(3) Any other relevant data, facts and statistics as
determined by the department.

Section 2643. Expiration of article.
(a) Notice.--Within 30 days following the repayment of bond obligations, bond administrative expenses and other financing costs incurred under this article, the secretary shall transmit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

(b) Expiration.--This article shall expire on the date when the notice under subsection (a) is published in the Pennsylvania Bulletin.

PART IX

MISCELLANEOUS PROVISIONS

Section 2661. Severability.

The provisions of this article are severable. If any provision of this article or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application.

Section 2. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of Article XXVI of the act.

(2) 58 Pa.C.S. § 2318 is repealed.

Section 3. This act shall take effect immediately.