AMENDMENTS TO SENATE BILL NO. 146

Sponsor: REPRESENTATIVE J. HARRIS

Printer's No. 1831

Amend Bill, page 1, lines 1 through 18; pages 2 through 6, lines 1 through 30; page 7, lines 1 through 20; by striking out all of said lines on said pages and inserting

Amending the act of April 9, 1929 (P.L.343, No.176), entitled "An act relating to the finances of the State government; providing for cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; 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," in emergency COVID-19 response, providing for extension of use of certain funds; in Child Care Staff Recruitment and Retention Program, further providing for Child Care Staff Recruitment and Retention Program; in cigarette sales and licensing, further providing for definitions and providing for allowable mode of operations for licensed cigarette stamping agents; in joint underwriting association, further providing for fund transfers; providing for food processing residuals; in financially distressed municipalities, further providing for financial recovery; in oil and gas wells, further providing for Oil and Gas Lease Fund and providing for deep wells and Utica Shale permits and for well plugging; providing for manufacturing and investment tax credit, for Innovate in PA 2.0 Tax Credit and for design build best value; in human services, further providing for medical assistance payments for institutional care, for resident care and related costs and for LIFE Program and providing for transition to chip-enabled access cards, for Medical Assistance Reentry Program, for Children's Trust Fund and for medical assistance pharmacy services; in additional keystone opportunity expansion zones, providing for additional zone for shipbuilding and for additional zones; providing for residential revitalization keystone opportunity zones and for violent incident clearance and technological investigative methods; in special funds, further providing for funding and for Pennsylvania Convention Center; in additional special funds and restricted accounts, providing for Veterans' Trust Fund Board and further providing for establishment of special fund and account, for use of fund and for distributions from Pennsylvania Race Horse Development Fund; in additional special funds and restricted accounts, further providing for deposits and providing for Professional Licensure Augmentation Account; in general budget implementation, further providing for Executive Offices, for Department of Agriculture, for Department of Corrections, for Department of Labor and Industry and for Department of Transportation, providing for Pennsylvania Emergency Management Agency and further providing for Commonwealth Financing Authority, for Federal and Commonwealth use of forest land, for Multimodal Transportation Fund, for School Safety and Security Fund, for State Gaming Fund, for State Employees' Retirement System Restricted Account and for Public School Employees' Retirement System Restricted Account; in retirement, providing for 2026 special ad hoc municipal police and firefighter postretirement adjustment, for supplemental annuities for public school employees commencing 2026, for supplemental annuities for State employees commencing 2026 and for payment of supplemental annuity and special ad hoc postretirement adjustment; in electricity load forecast accountability, providing for energy and water reporting and for advanced transmission technologies; in 2025-2026 budget implementation, further providing for Department of Agriculture, for Department of Human Services and for Pennsylvania Higher Education Assistance Agency; providing for 2026-2027 budget implementation and for 2026-2027 restrictions on appropriations for funds and accounts; in fiscal supplements to statutory programs, providing for amusement tax clarification, for situs for local sales tax for cities of the first class, for situs for local sales tax for counties of the second class, for net income and for housing; abrogating a regulation; making repeals; providing for suspension of pension actuarial notes; and making editorial changes.

The General Assembly finds and declares as follows:

(1) The intent of this act is to provide for the implementation of the 2026-2027 Commonwealth budget.

(2) The Constitution of Pennsylvania confers numerous express duties upon the General Assembly, including the passage of a balanced budget for the Commonwealth.

(3) Section 24 of Article III of the Constitution of Pennsylvania requires the General Assembly to adopt all appropriations for the operation of government in this Commonwealth, regardless of their source. The Supreme Court has repeatedly affirmed that "it is fundamental within Pennsylvania's tripartite system that the General Assembly enacts the legislation establishing those programs which the State provides for its citizens and appropriates the funds necessary for their operation."

(4) Pursuant to section 13 of Article VIII of the Constitution of Pennsylvania, the General Assembly is explicitly required to adopt a balanced Commonwealth budget. Given the unpredictability and potential insufficiency of revenue collections, various changes in State law relating to sources of revenue, the collection of revenue and the implementation of statutes which impact revenue may be required to discharge this constitutional obligation.

(5) Section 11 of Article III of the Constitution of Pennsylvania requires the adoption of a general appropriation act that embraces "nothing but appropriations." While actual items of appropriation can be contained in a general appropriation act, the achievement and implementation of a comprehensive budget involves more than subjects of appropriations and dollar amounts. Ultimately, the budget has to be balanced under section 13 of Article VIII of the Constitution of Pennsylvania. This may necessitate changes to sources of funding and enactment of statutes to achieve full compliance with these constitutional provisions.

(6) For the reasons under paragraphs (1), (2), (3), (4) and (5), it is the intent of the General Assembly through this act to provide for the implementation of the 2026-2027 Commonwealth budget.

(7) Every provision of this act relates to the implementation of the operating budget of the Commonwealth for this fiscal year, addressing in various ways the fiscal operations, revenues and potential liabilities of the Commonwealth. To that end, this act is intended to implement the 2026-2027 Commonwealth budget without specifically appropriating public money from the General Fund. This act provides accountability for spending and makes transfers or other changes necessary to impact the availability of revenue in order to meet the requirements of section 13 of Article VIII of the Constitution of Pennsylvania and to implement the act of , 2026 (P.L. , No.), known as the General Appropriation Act of 2026.

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

Section 1. The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended by adding a section to read:

Section 197-C. Extension of use of certain funds.

(a) Use of remaining funds.--Notwithstanding the provisions of sections 194-C(b), 195-C(b), 196-C(d) and 1712-E, the agency shall use the remaining funds allocated for grants for projects that are an eligible use of funds relating to housing under 31 CFR Pt. 35 (relating to pandemic relief programs).

(b) Transfer of funds.--

(1) From funds appropriated for COVID Relief - ARPA - Development Cost Relief Program, COVID Relief - ARPA -Construction Cost Relief and COVID Relief - ARPA - Affordable Housing Construction, the agency shall transfer $11,789,348 to the COVID-19 Response Restricted Account, no later than September 10, 2026, which are hereby appropriated to the Department of Corrections for the purposes specified under section 1712-E(e)(1).

(2) Any money not expended by the agency by December 11, 2026, shall be transferred by the State Treasurer to the COVID-19 Response Restricted Account no later than December 18, 2026, which are hereby appropriated to the Department of Corrections for the purposes specified under section 1712-E(e)(1).

(c) Money appropriated.--All money appropriated for the programs established in sections 194-C, 195-C and 196-C or obligated, transferred or appropriated in accordance with the requirements of subsections (a) and (b) must be expended by December 31, 2026.

(d) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Agency." The Pennsylvania Housing Finance Agency.

Section 2. Section 103-H.1(c), (d)(1) and (e)(3) of the act, added November 12, 2025 (P.L.156, No.45), are amended to read:

Section 103-H.1. Child Care Staff Recruitment and Retention Program.

* * *

(c) Determination.--The department shall approve or deny an application submitted under subsection (b) no later than [45] 60 days after receipt. The department may not make a payment to an entity that is not a qualified child care provider.

(d) Allocation of payments.--

(1) The department shall allocate payments to administer an individual retention bonus of at least [$450] $540 per member of qualified staff.

* * *

(e) Conditions.--

* * *

(3) Payments received by a qualified child care provider shall be expended in the [fiscal] year in which the payment is made. A qualified child care provider shall pay a retention bonus to qualified staff within 45 days of the date on which the qualified child care provider received the payment under this article.

* * *

Section 3. Section 202-A of the act is amended by adding a definition to read:

Section 202-A. Definitions.--As used in this article--

* * *

"Related Entity Supplier" shall mean an entity that owns at least a majority interest in a cigarette stamping agent or in which a cigarette stamping agent owns a majority interest, or an entity of which a majority of the beneficial ownership is the same as the majority beneficial ownership in a cigarette stamping agent.

* * *

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

Section 204.1-A. Allowable Mode of Operations for Licensed Cigarette Stamping Agents.--A cigarette stamping agent under this article shall only purchase cigarettes directly from a tobacco product manufacturer or from a related entity supplier that has purchased cigarettes directly from a tobacco product manufacturer. Cigarette stamping agents shall not otherwise sell unstamped cigarettes to any other cigarette dealers.

Section 5. Section 209-D(b) and (c)(1) of the act, added November 12, 2025 (P.L.156, No.45), are amended to read:

Section 209-D. Fund transfers.

* * *

(b) Use of money.--Money deposited into the General Fund under [subsection (a)] this section shall be available for expenditures in accordance with appropriations by the General Assembly to the Department of Human Services for medical assistance payments for capitation plans.

(c) Future transfers.--For fiscal years beginning on or after July 1, 2026, the following amounts, as certified available by the commissioner under section 208-D, shall be transferred from the joint underwriting association to the

General Fund:

(1) [(Reserved).] <u>For the fiscal year beginning July 1, 2026, the amount to be transferred to the General Fund under this subsection shall be $14,300,000.</u>

* * *

Section 6. The act is amended by adding an article to read:

<u>ARTICLE XIII</u>

<u>FOOD PROCESSING RESIDUALS</u>

<u>SUBARTICLE A</u>

<u>GENERAL PROVISIONS</u>

<u>Section 1301. Scope of article.</u>

<u>This article relates to food processing residuals management.</u>

<u>Section 1302. Definitions.</u>

<u>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:</u>

<u>"Agricultural operator." A person that has management control of a normal farming operation.</u>

<u>"Best management practice." A practice or combination of practices determined by the commission to be effective and practicable given technological, economic and institutional considerations, to manage nutrients and characteristics of interest to protect surface water and groundwater, taking into account applicable nutrient requirements for crop utilization.</u>

<u>"Board." The Agricultural Advisory Board established under 27 Pa.C.S. § 702 (relating to establishment of board).</u>

<u>"Characteristics of interest." Specific components that may be present in food processing residuals that are of special concern due to their potential to cause irrevocable harm to soil, pollution to surface water and groundwater or harm to public health.</u>

<u>"Commercial food processing residuals broker." A person that is not working for or under the control of an agricultural operator or food processing residuals generator and that assumes temporary control or ownership of the food processing residuals from a food processing residuals generator and arranges for transport to and utilization at an importing agricultural operation.</u>

<u>"Commercial food processing residuals hauler." A person that transports or land-applies food processing residuals under this article as a contract agent for an agricultural operator, as an employee or contract agent for a food processing residuals generator or commercial food processing residuals broker under the direction of the operator, food processing generator or broker.</u>

<u>"Commission." The State Conservation Commission established under section 4 of the act of May 15, 1945 (P.L.547, No.217), known as the Conservation District Law.</u>

<u>"Department." The Department of Agriculture of the Commonwealth.</u>

<u>"Food processing residuals." Residual materials in liquid or</u>

solid form generated in the slaughtering of poultry and livestock, or in processing and converting fish, seafood, milk, meat and eggs to food products. The term includes residual materials generated in the processing, converting or manufacturing of fruits, vegetables, crops and other commodities into marketable food items. The term does not include food processing residuals transported to a normal farming operation and used to feed livestock or poultry.

"Land application system." A written site-specific plan that incorporates best management practices for the use of food processing residuals in the course of normal farming operations, including storage, processing and land application.

"Land application system notification." Written notification that a normal farming operation has a land application system for the use of food processing residuals in the course of normal farming operations.

"Normal farming operation." The customary and generally accepted activities, practices and procedures that farms adopt, use or engage in year after year in the production and preparation for market of poultry, livestock and their products; and in the production, harvesting and preparation for market of agricultural, agronomic, horticultural, silvicultural and aquacultural crops and commodities; provided that such operation is conducted in compliance with applicable laws, and provided that the use or disposal of these materials will not pollute the air, water or other natural resources of the Commonwealth. The term includes the storage and utilization of agricultural waste and food processing residuals, screenings and sludges for animal feed, and includes the agricultural utilization of septic tank cleanings and sewage sludges which are generated off-site. The term includes the management, collection, storage, transportation, use or disposal of manure, other agricultural waste and food processing residuals, screenings and sludges on land where such materials will improve the condition of the soil, the growth of crops or in the restoration of the land for the same purposes.

"Nutrient." A substance or recognized plant nutrient, element or compound that is used or sold for its plant nutritive content or its claimed nutritive value. The term includes livestock and poultry manures, compost as fertilizer, commercially manufactured chemical fertilizers, sewage sludge, food processing residuals or combinations thereof.

"Nutrient Management Act." The provisions of 3 Pa.C.S. Ch. 5 (relating to nutrient management and odor management).

"Nutrient Management Advisory Board." The board established under 3 Pa.C.S. § 510 (relating to Nutrient Management Advisory Board).

"Secretary." The Secretary of Agriculture of the Commonwealth.

"Solid Waste Management Act." The act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act.

SUBARTICLE B

USE OF FOOD PROCESSING RESIDUALS

IN NORMAL FARMING OPERATION

Section 1311. Powers and duties of commission.

(a) Regulations.--The commission shall, in consultation with the department, the Department of Environmental Protection, the board and the Nutrient Management Advisory Board, promulgate regulations establishing minimum criteria for the use of food processing residuals in the course of normal farming operations to implement this subarticle. The criteria shall be established using the most recent science available.

(b) Criteria.--The criteria established under subsection (a) shall include:

(1) Procedures for the commission to identify nutrients. There shall be a presumption that nitrogen is the nutrient of primary concern, unless the commission determines the presumption is not appropriate.

(2) Procedures for the commission to identify characteristics of interest.

(3) Procedures to determine the proper application rates of nutrients and characteristics of interest in food processing residuals to be applied to land based on conditions of soil, levels of existing nutrients and characteristics of interest in the soil, and the type of agricultural production to be conducted on the land.

(4) Science-based and evidence-based recommended best management practices to use food processing residuals in the course of normal farming operations.

(5) Recordkeeping requirements related to the use of food processing residuals in the course of normal farming operations, including storage, processing and land application.

(6) Minimum standards for the location, construction and operation of a storage facility, including storage capacity, for food processing residuals used in the course of normal farming operations.

(7) Minimum standards for commingling of manure and food processing residuals used in the course of normal farming operations.

(8) Procedures for filing a land application system notification.

(9) Conditions under which a land application system must be modified.

(10) Provisions for periodic evaluation of a land application system.

(c) Additional duties and authority.--The commission shall have the following additional duties and authority:

(1) To continually evaluate and approve best management practices based on the latest scientific research and evidence-based practices.

(2) To continually evaluate the criteria for a land

application system and promulgate regulations as necessary. A regulatory change under this subsection shall require a two-thirds majority vote of the commission.

(3) To develop and implement, in cooperation with the department, the Department of Environmental Protection, the board, the Nutrient Management Advisory Board and Penn State Extension, a program to provide education and technical assistance to the agricultural community and, to the extent funds are available, to provide financial assistance to existing normal farming operations for implementation of best management practices for the use of food processing residuals in the course of normal farming operations.

(4) To issue orders and take actions as necessary to administer and enforce this article.

Section 1312. Land application of food processing residuals.

(a) Requirement.--The use of food processing residuals in the course of normal farming operations shall be managed under a land application system.

(b) Required components.--A land application system shall include all of the following:

(1) Identification of site-specific best management practices that will be implemented for the use of food processing residuals in the course of normal farming operations, including storage, processing and land application.

(2) Identification of site-specific best management practices that may need to be implemented to manage odors from the use of food processing residuals in the course of normal farming operations.

(3) Records of the food processing residuals received from a commercial food processing residuals hauler or a commercial food processing residuals broker for use in the course of normal farming operations.

(4) A description of each type of food processing residuals intended to be stored, processed or land-applied, and the total annual volume planned for use.

(5) A description of each method of land application for the use of food processing residuals in the course of normal farming operations.

(6) A statement that the agricultural operator completing the land application system understands that, if a normal farming operation generates or utilizes manure that is commingled with or applied to the same area as food processing residuals, the agricultural operator must also comply with requirements specified in other statutes and regulations relating to management of manure.

(c) Review.--The land application system shall be available for review at the request of the commission to determine if the land application system meets the requirements of this subarticle.

Section 1313. Land application system notification.

(a) Requirement.--An agricultural operator intending to use food processing residuals in the course of normal farming operations shall file a land application system notification with the commission prior to the use in a form and manner determined by the commission. The notification shall be filed every three years as applicable.

(b) Required components.--A land application system notification shall include:

(1) The name, location and contact information for the agricultural operator.

(2) The total estimated volume per month of food processing residuals intended to be used in the course of normal farming operations.

(3) Nutrient content analysis and characteristics of interest analysis of food processing residuals intended to be used in the course of normal farming operations.

(4) Total acreage upon which food processing residuals may be land-applied in the course of normal farming operations in accordance with the agricultural operator's land application system.

(5) A signed statement confirming that the use of all food processing residuals in the course of normal farming operations shall be conducted under a land application system.

(c) Resubmission.--The commission may require resubmission of a land application system notification if the commission finds a submission to be incomplete.

(d) Validity.--A land application system notification shall be valid for three years from the date the land system notification is received by the commission or until the associated land application system is modified in a form and manner determined by the commission.

Section 1314. Civil penalties.

(a) Civil penalty.--In addition to any other remedy available at law or in equity for a violation of this subarticle, a rule or regulation adopted, order issued under this subarticle or land application system, the commission may assess a civil penalty of not more than $500 for the first day of each offense and $100 for each additional day of continuing violation. In determining the penalty amount, the commission shall consider the following factors:

(1) The gravity of the violation.

(2) The potential harm to the public.

(3) The potential effect on the environment.

(4) The willfulness of the violation.

(5) Previous violations.

(6) The economic benefit to the violator for failing to comply with this subarticle.

(b) Warning in lieu of penalty.--If the commission finds that a violation did not cause harm to human health or an adverse effect on the environment, the commission may issue a warning in lieu of assessing a penalty if the offender, upon notice, takes immediate action to resolve the violation and achieve compliance.

(c) Collection.--If the commission is unable to collect a civil penalty assessed under this subarticle or a person fails to pay all or a portion of the penalty, the commission may refer the matter to the Office of General Counsel or the Office of Attorney General, which may institute an action in the appropriate court to recover the penalty. A civil penalty assessed may act as a lien on the property of the person against whom the penalty has been assessed.

Section 1315. Enforcement authority.

(a) Right of access.--A duly authorized agent of the commission, department, Department of Environmental Protection or delegated conservation district shall have the authority to enter a normal farming operation at reasonable times to conduct investigations and to take actions necessary to enforce this article or any order, rule or regulation issued under this article.

(b) Duty to grant access.--A person owning or operating a normal farming operation shall grant access to a duly authorized agent of the commission, department, Department of Environmental Protection or a delegated conservation district under subsection (a) and shall not hinder, obstruct, prevent or interfere with the agents in the performance of their duties. Authorized agents shall perform reasonable measures and actions as directed by the offender of a normal farming operation that reasonably and substantially prevent the spread or outbreak of contagious diseases.

Section 1316. Appealable actions.

A person aggrieved by an order or other administrative action of the commission issued or taken under this article may, within 10 days from actual or constructive notice of the action, appeal the action in accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

Section 1317. Applicability.

Unless classified as hazardous by the Environmental Quality Board, food processing residuals under this subarticle:

(1) Shall not be considered residual waste under the Solid Waste Management Act.

(2) Are not subject to the provisions of section 501(a) of the Solid Waste Management Act.

SUBARTICLE C
COMMERCIAL FOOD PROCESSING RESIDUALS
HAULERS AND BROKERS

Section 1321. Commercial food processing residuals hauler and broker certification program.

(a) Duties of department.--

(1) The department shall establish, in consultation with

<u>the commission and the board, a commercial food processing residuals hauler and broker certification program for the purpose of certifying persons to store, transfer, transport or land-apply food processing residuals.</u>

<u>(2) The department shall, by regulation, establish terms, conditions and fees for certification as the department deems appropriate.</u>

<u>(3) The department shall develop, in consultation with the commission and the board, training, educational requirements, testing and other criteria as the department deems necessary for certification. The training shall address the following topics:</u>

<u>(i) Laws, regulations and orders regarding food processing residuals use, storage, transfer, transport and land application.</u>

<u>(ii) Best management practices with respect to food processing residuals storage, hauling and land application, transport safety procedures, calibration of application rates for various types of application equipment, setbacks from water sources and property lines, food processing residuals runoff concerns and incorporation techniques.</u>

<u>(iii) Recordkeeping obligations by commercial food processing residuals haulers or commercial food processing residuals brokers necessary to comply with this article.</u>

<u>(b) Training program approval.--The department may approve training and education programs developed by educational institutions or entities within this Commonwealth that satisfy the requirements of this section.</u>

<u>Section 1322. Requirements for commercial food processing residuals haulers and commercial food processing residuals brokers.</u>

<u>(a) Certification requirement.--A commercial food processing residuals hauler or commercial food processing residuals broker may not store, transfer, transport or land-apply food processing residuals in this Commonwealth, regardless of where the food processing residuals are generated, unless the commercial food processing residuals hauler or commercial food processing residuals broker meets all of the following requirements:</u>

<u>(1) Has successfully completed the certification program under section 1321.</u>

<u>(2) Has been issued certification by the department.</u>

<u>(3) Maintains certification in accordance with the certification program's requirements.</u>

<u>(b) Land application of food processing residuals.--A commercial food processing residuals hauler or commercial food processing residuals broker shall land-apply food processing residuals in accordance with this article and a land application system.</u>

<u>(c) Storage, transfer and transport of food processing</u>

residuals.--A commercial food processing residuals hauler or commercial food processing residuals broker shall store, transfer and transport food processing residuals in accordance with this article.

(d) Records.--Commercial food processing residuals haulers or commercial food processing residuals brokers shall maintain records in accordance with this article of all food processing residuals that the commercial food processing residuals haulers or commercial food processing residuals brokers store, broker, transport or land-apply. Records shall be retained for three years and shall be made available upon request of the department.

Section 1323. Administrative penalties.

(a) Penalties.--In addition to any other remedy available at law or in equity for a violation of this subarticle, the department may assess an administrative penalty of up to $1,000 for the first day of a violation of this subarticle and $500 for each day the violation continues. In determining the penalty amount, the department shall consider the following factors:

(1) The seriousness of the violation.

(2) The potential harm to the public.

(3) The potential effect on the environment.

(4) The willfulness of the violation.

(5) Previous violations.

(6) The economic benefit derived by the violator for noncompliance with this subarticle.

(b) Warning in lieu of penalty.--If the department finds that the violation does not cause harm to human health or an adverse effect on the environment, the department may issue a warning in lieu of an administrative penalty if the violator, upon notice, takes immediate action to correct the violation and complies with this subarticle.

(c) Appeals.--A person aggrieved by the assessment of an administrative penalty may appeal a penalty to the secretary within 10 days of the date of the penalty assessment. The secretary shall issue a decision on the appeal within 90 days of the appeal. If a decision is not issued by the secretary within the time period specified under this paragraph, the assessment of the penalty shall be deemed withdrawn. Appeals under this subsection shall be governed by 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of local agency action).

(d) Collection.--If the department is unable to collect an administrative penalty assessed under subsection (a) or a person fails to pay all or a portion of the penalty, the department may refer the matter to the Office of General Counsel or the Office of Attorney General, which may institute an action in a court of competent jurisdiction to recover the penalty. A penalty assessed for a violation of this subarticle may operate as a lien on the property of the person against whom the penalty has been assessed.

Section 1324. Enforcement orders and suspension or revocation of certification.

(a) Orders.--The department may issue orders necessary to enforce this subarticle. Orders shall take effect upon notice unless otherwise specified.

(b) Suspension or revocation.--The department may suspend or revoke certification of a commercial food processing residuals hauler or commercial food processing residuals broker upon finding that the commercial food processing residuals hauler or commercial food processing residuals broker has failed to comply or continues noncompliance with any of the following:

(1) A provision of this subarticle.

(2) Certification criteria or requirements.

(3) A regulation promulgated under this subarticle.

(4) An order issued under this subarticle.

(c) Appeals.--A person may appeal an order, suspension or revocation under this subarticle to the secretary within 10 days of the date of the order, suspension or revocation. The secretary shall issue a decision on the appeal within 90 days of the appeal. If a decision is not issued by the secretary within the time period specified under this paragraph, the order, suspension or revocation shall be deemed withdrawn. Appeals shall be governed by 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

Section 1325. Temporary rulemaking authority.

(a) Promulgation.--In order to facilitate the prompt implementation of section 1321, the department shall promulgate temporary regulations that shall expire no later than three years following the publication of the temporary regulations. The department may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

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

(3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Expiration.--The department's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this subsection. Regulations adopted after this period shall be promulgated as provided by law before the expiration of the temporary regulations under subsection (a).

SUBARTICLE D

MISCELLANEOUS PROVISIONS

Section 1331. Unlawful conduct.

It shall be unlawful to violate, cause or assist in the violation of any of the following:

(1) A provision of this article.

(2) A regulation promulgated under this article.

(3) An order issued under this article.

Section 1332. Civil remedies.

(a) Action at law.--The Office of General Counsel may institute an action at law in a court of competent jurisdiction to recover damages for a violation of this article, a regulation promulgated under this article or an order issued under this article.

(b) Action in equity.--The Office of General Counsel may institute an action in equity in a court of competent jurisdiction to restrain a violation of this article, a regulation promulgated under this article or an order issued under this article. In a proceeding under this subsection, the following shall apply:

(1) The court may fix a reasonable time during which the defendant may make provision for the abatement of the violation.

(2) The court may issue a preliminary or special injunction or temporary restraining order where circumstances warrant or public health is endangered.

(3) The court shall issue a preliminary injunction upon finding that the defendant is engaging in unlawful conduct prohibited under this article or is causing immediate or irreparable harm to the public.

(4) The Commonwealth shall not be required to furnish bond.

(5) The court may grant equitable relief in addition to damages under subsection (a).

Section 1333. Powers reserved under existing laws.

(a) Reservation.--Nothing in this article shall be construed to limit the powers of the department, the commission or the Department of Environmental Protection under other State laws, including the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law, the Solid Waste Management Act and common law.

(b) Judicial jurisdiction.--A court exercising equitable jurisdiction in accordance with section 1332(b) shall not be deprived of jurisdiction even though a nuisance or condition detrimental to public health is subject to regulation or other action by the commission, Department of Environmental Protection or the department under this article.

Section 1334. Preemption of local ordinances.

This article is of Statewide concern, occupies the whole field of regulation regarding the use of food processing residuals in normal farming operations and the certification of and the requirements under section 1322 and preempts all local ordinances and regulations governing the use of food processing residuals in normal farming operations and the certification or regulation of commercial food processing residuals haulers and commercial food processing residuals brokers.

Section 1335. Mitigation.

(a) Operator compliance as mitigating factor.--An agricultural operator using food processing residuals in the course of a normal farming operation that is in compliance with all applicable provisions of this article, regulations promulgated under this article and orders issued under this article shall be afforded appropriate consideration as a mitigating factor in any action arising from the use of food processing residuals in a normal farming operation.

(b) Hauler or broker compliance as mitigating factor.--A commercial food processing residuals hauler or commercial food processing residuals broker that is properly certified under this article and in compliance with all applicable provisions of this article, regulations promulgated under this article and orders issued under this article shall be afforded appropriate consideration as a mitigating factor in any action arising from the storage, transfer, transport or land application of food processing residuals in a normal farming operation by the commercial food processing residuals hauler or commercial food processing residuals broker.

Section 1336. Funding.

The following apply:

(1) Funding from the Nutrient Management Fund established under 3 Pa.C.S. § 512 (relating to Nutrient Management Fund) may be used to implement the provisions of this article.

(2) All fees and penalties under this article shall be disposed of in accordance with 3 Pa.C.S. § 2384 (relating to disposition of fees, fines and civil penalties).

Section 6.1. Section 1602-D.1 of the act is amended to read:

Section 1602-D.1. Financial recovery.

(a) Moderate and severe distress.--As of the date of the termination of distressed status under the provisions of the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, a city of the second class A that is levying, or had been authorized to levy within the previous three fiscal years, a local services tax in excess of $52 in accordance with the Municipalities Financial Recovery Act, may, upon the termination of distressed status, levy, without court approval, the local services tax at a rate which does not exceed $156 per year, if a pension system of the municipality is in moderate distress or severe distress as defined by section 503(d) of the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act, and the amount in excess of $52 is used solely to defray the municipality's unfunded actuarial accrued pension liability. A local services tax in excess of $52 may not be levied in the same year that the income of nonresidents is subject to a tax above maximum rates as provided in section 607(f) of the Municipal Pension Plan Funding Standard and Recovery Act.

(b) Minimal distress.--A city of the second class A that previously terminated distressed status under the Municipalities Financial Recovery Act and is levying, or had been authorized to levy within the previous three fiscal years, a local services tax in excess of $52 in accordance with the Municipalities Financial Recovery Act or subsection (a), may levy, without court approval, the local services tax at a rate which does not exceed $156 per year, if a pension system of the municipality is in minimal distress as defined by section 503(d) of the Municipal Pension Plan Funding Standard and Recovery Act, and the amount in excess of $52 is used solely to defray the municipality's unfunded actuarial accrued pension liability. A local services tax in excess of $52 may not be levied in the same year that the income of nonresidents is subject to a tax above maximum rates as provided in section 607(f) of the Municipal Pension Plan Funding Standard and Recovery Act. In no event shall a municipality that has no pension system in distress levy under this subsection a local services tax in excess of $52 for more than three full calendar years after its pension systems are declared minimally distressed.

Section 7. Section 1601.2-E(e)(1)(ii) of the act, amended November 12, 2025 (P.L.156, No.45), is amended to read:

Section 1601.2-E. Oil and Gas Lease Fund.

* * *

(e) Annual transfers.--The following apply:

(1) * * *

(ii) No amount shall be transferred from the fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund for the 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025 [and], 2025-2026 and 2026-2027 fiscal year.

* * *

Section 8. The act is amended by adding sections to read:

Section 1609.1-E. Deep wells and Utica Shale permits.

Notwithstanding section 6 of the act of July 25, 1961 (P.L.825, No.359), known as the Oil and Gas Conservation Law, before drilling a well that is to penetrate the Onondaga or deeper horizons or a depth of 3,800 feet, whichever is deeper, and that is intended to produce primarily from the Utica Shale formation or a deeper formation and no spacing order has been entered and no application is pending, the setback distance of three hundred and thirty feet from the nearest outside boundary line of the lease shall be waived. The well operator shall obtain a permit and the application shall, at a minimum, include a plat prepared on a form developed by the Department of Environmental Protection.

Section 1611-E. Well plugging.

(a) Cement plug at attainable bottom.--In order to comply with 58 Pa.C.S. § 3220(a) (relating to plugging requirements), the department shall require, at a minimum, that a cement plug of at least 50 feet be set at the attainable bottom of the well bore, the depth and efficacy of the plug be confirmed and the remaining well bore be plugged to the surface with a solid column of cement.

(b) Requirements for each well plugged to attainable bottom.--For each well plugged to attainable bottom with reasonable effort, the operator shall:

(1) Within 90 days of plugging the well, submit a report to the department that includes a summary of the specific technical reasons why further cleanout was not possible and what cleanout methods were attempted.

(2) Complete a minimum of one post-plugging monitoring event to assess for the vertical flow of fluids or gas within the well bore prior to final site restoration. The event shall be planned to maximize the amount of time elapsed between the completion of plugging the well and final restoration of the site. Any evidence of vertical flow of fluids or gas within the well bore must be reported immediately to the department.

(c) Regulations.--The Environmental Quality Board shall promulgate regulations specific to reasonable effort for all other plugging scenarios not addressed in this section within 18 months of the effective date of this subsection. The regulations shall specify methods of determining the appropriate equipment, tools and prudent industry practices for the purpose of demonstrating attainable bottom.

(d) Reasonable effort required for certain wells.--An operator shall make a reasonable effort to achieve an attainable bottom for each of the following types of wells:

(1) Orphan wells, so long as the orphan well is not drilled into or through a gas storage reservoir or reservoir protective area.

(2) Abandoned wells, so long as the department has determined that no viable responsible party has stipulated that the abandoned well is not drilled into or through a gas storage reservoir or reservoir protective area.

(3) Orphan and abandoned wells, so long as the orphan and abandoned well is the subject of a plugging order under section 13(c) of the act of December 18, 1984 (P.L.1069, No.214), known as the Coal and Gas Resource Coordination Act.

(e) Evaluation every three years.--To evaluate the effectiveness of using reasonable effort to plug certain wells under this section, every three years following the effective date of this subsection, the department shall submit to the General Assembly a report that includes:

(1) The occurrence of plug failures at wells plugged to attainable bottom with reasonable effort.

(2) Environmental, health or safety incidents associated with wells plugged to attainable bottom with reasonable effort.

(3) Financial liabilities incurred by the department that are a direct result of wells plugged to attainable bottom with reasonable effort.

(f) Waivers.--The activities conducted within 300 feet (91.44 meters) of occupied dwellings that consist of the plugging, abandonment, remediation or securing of an oil or gas well, including associated access, site preparation and related work, conducted pursuant to the Oil and Gas Act, the Coal and Gas Resource Coordination Act or other applicable laws or orders of the department shall not be considered surface mining operations, regardless of whether the activities occur on lands subject to a mining permit, are undertaken in advance of or concurrent with mining, or facilitate the future extraction of coal.

(g) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Abandoned well." As defined under 58 Pa.C.S. § 3203 (relating to definitions).

"Attainable bottom." The depth, approved by the department, that can be achieved after a reasonable effort made in good faith is expended to clean out to the total depth.

"Department." The Department of Environmental Protection of the Commonwealth.

"Operator." As defined under 58 Pa.C.S. § 3203.

"Orphan well." As defined under 58 Pa.C.S. § 3203.

"Reasonable effort." In relation to an operator's action to achieve an attainable bottom, an action that cleans out a well to at least 200 feet below the coal protective casing or, if no coal protective casing is present, the coal seam or surface casing, whichever is deeper, and continues to clean out the well until an additional 100 feet of well bore cannot be cleaned out within two eight-hour work shifts or the total depth of the well is reached.

"Total depth." The depth to which a well was originally drilled or subsequently drilled or the depth to which it was plugged previously in a manner approved by the department.

Section 9. The act is amended by adding articles to read:

ARTICLE XVI-H.1

MANUFACTURING AND INVESTMENT TAX CREDIT

Section 1601-H.1. 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:

"Closing date." As defined in section 1822-G of the Tax Reform Code.

"Credit-eligible capital contribution." An investment of cash by a business firm in a rural growth fund that equals the amount specified on a tax credit certificate issued by the department under section 1829-G of the Tax Reform Code. The investment shall purchase an equity interest in the rural growth fund or purchase, at par value or premium, a debt instrument that has a maturity date at least five years from the closing date.

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

"Investment authority." The amount stated on the notice issued under section 1824-G of the Tax Reform Code approving the rural growth fund.

"Program one tax credit authority." Investment authority issued by the department before January 1, 2024.

"Program two tax credit authority." Investment authority issued by the department on or after January 1, 2024.

"Rural growth fund." An entity approved by the department under section 1824-G of the Tax Reform Code.

"Tax credit." The Rural Jobs and Investment Tax Credit provided under Part II of Article XVIII-G of the Tax Reform Code.

"Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

Section 1602-H.1. Limitations.

Notwithstanding section 1828-G(c) of the Tax Reform Code, the department may not approve more than $60,000,000 in credit-eligible capital contributions.

Section 1603-H.1. Tax credit certificates.

(a) Application.--Notwithstanding section 1829-G(a) of the Tax Reform Code, the following shall apply:

(1) With respect to program one tax credit authority, the application under section 1829-G(a) of the Tax Reform Code shall be filed no later than February 1 for credit-eligible capital contributions made in the preceding calendar year.

(2) With respect to program two tax credit authority, the application under section 1829-G(a) of the Tax Reform Code shall be filed no later than February 1 for credit-eligible capital contributions made in the preceding calendar year.

(b) Review, recommendation and approval.--Notwithstanding section 1829-G(b) of the Tax Reform Code, the department:

(1) Beginning with fiscal year 2020-2021, may not award tax credit certificates that would result in the utilization of more than $12,000,000 in tax credits in any fiscal year, except for tax credits carried forward.

(2) May not award more than $60,000,000 in tax credit certificates, in the aggregate, under Part II of Article XVIII-G of the Tax Reform Code.

ARTICLE XVI-H.2

INNOVATE IN PA 2.0 TAX CREDIT

Section 1601-H.2. Scope of article.

This article relates to the Innovate in PA 2.0 Tax Credit.

Section 1602-H.2. 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:

"Capital." The amount of money that a purchaser invests under the Innovate in PA 2.0 Program.

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

"Development authority." The Ben Franklin Technology Development Authority created under section 3 of the act of June 22, 2001 (P.L.569, No.38), known as The Ben Franklin Technology Development Authority Act.

"Fund." The Innovate in PA 2.0 Fund.

"Insurance premiums tax liability." Any liability incurred by an insurance company under Article IX of the Tax Reform Code of 1971.

"Program." The Innovate in PA 2.0 Program.

"Qualified taxpayer." Any of the following that have insurance premiums tax liability and contribute capital to purchase premiums tax credits under this article:

(1) An insurance company authorized to do business in this Commonwealth.

(2) A holding company that has at least one insurance company subsidiary authorized to do business in this Commonwealth.

"Recipient." An entity that receives a distribution of funds under section 1610-H.2(c).

"Tax credit." A credit against insurance premiums tax liability offered to or held by a qualified taxpayer under this article.

"Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

Section 1603-H.2. Tax credit.

A qualified taxpayer may purchase tax credits from the department in accordance with this article and may apply the tax credits against its insurance premiums tax liability in accordance with this article.

Section 1604-H.2. Duties.

(a) Sale of tax credits.--The department shall have the authority to sell up to $125,000,000 in tax credits to qualified taxpayers. The sale of the tax credits shall be in accordance with section 1607-H.2.

(b) Time of sale.--The sale authorized under subsection (a) may not occur before October 1, 2026.

Section 1605-H.2. Use of tax credits by qualified taxpayers.

(a) Use against insurance premiums tax liability.--A qualified taxpayer that purchases tax credits under section 1604-H.2 may claim the credits beginning in calendar year 2030 against insurance premiums tax liability incurred for a taxable year that begins on or after January 1, 2029.

(b) Application to department.--A qualified taxpayer seeking to use purchased tax credits may submit an application to the department in a manner prescribed by the department.

(c) Construction.--

(1) A qualified taxpayer may not be required to reduce the amount of insurance premiums tax included by the taxpayer

in connection with ratemaking for any insurance contract written in this Commonwealth because of a reduction of the taxpayer's insurance premiums tax liability derived from the tax credit purchased under this article.

(2) If, under the insurance laws of this Commonwealth, the assets of the qualified taxpayer are examined or considered, the taxpayer's balance of tax credits shall be treated as an admitted asset subject to the same financial rating as held by the Commonwealth.

(d) Limitations.--

(1) The total amount of tax credits applied against insurance premiums tax liability by all qualified taxpayers in a fiscal year may not exceed $15,000,000 per year beginning in calendar year 2030.

(2) The credit to be applied in any one year may not exceed the insurance premiums tax liability of the qualified taxpayer for that taxable year.

Section 1606-H.2. Sale, carryover and carryback.

(a) Carryover.--If the qualified taxpayer cannot use the entire amount of the tax credit for the taxable year in which the taxpayer is eligible for the credit, the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the taxpayer for those taxable years, provided that the credit may not be carried over to any taxable year that begins after December 31, 2041.

(b) Sale.--No sooner than 30 days after providing the Insurance Department and the department written notice of the intent to transfer tax credits, a qualified taxpayer may transfer tax credits held without restriction to any entity that is a qualified taxpayer in good standing with the Insurance Department and that agrees to assume all of the transferor's obligations with respect to the tax credit.

(c) Carryback.--A qualified taxpayer may not carry back a tax credit.

Section 1607-H.2. Sale of tax credits to qualified taxpayers.

(a) Conduct of sale.--The sale of tax credits authorized under section 1604-H.2(a) shall be conducted in accordance with this section.

(b) Process.--The department may sell the tax credits authorized under this article or may contract with an independent third party to conduct a bidding process among qualified taxpayers to purchase the credits. In raising capital for the program, the department shall have the discretion to distribute credits using a market-driven approach or any approach that maximizes the yield to the Commonwealth.

(c) Application.--A qualified taxpayer seeking to purchase tax credits may apply to the department in the manner prescribed by the department.

(d) Bidding process.--Using procedures adopted by the department or, if applicable, by an independent third party, each qualified taxpayer that submits an application shall make a timely and irrevocable offer, subject only to the department's issuance to the taxpayer of tax credit certificates, to make specified contributions of capital to the department on dates specified by the department.

(e) Contents of offer.--The offer under subsection (d) must include all of the following:

(1) The requested amount of tax credits, which may not be less than $500,000.

(2) The qualified taxpayer's capital contribution for each tax credit dollar requested, which may not be less than the greater of either of the following:

(i) Seventy-five percent of the requested dollar amount of tax credits.

(ii) The percentage of the requested dollar amount of tax credits that the department and, if applicable, the independent third party determine to be consistent with market conditions as of the offer date.

(3) Any other information the department or, if applicable, independent third party requires.

(f) Notice of approval.--Each qualified taxpayer that submits an application under this section shall receive a written notice from the department indicating whether or not it has been approved as a purchaser of tax credits and, if so, the amount of tax credits allocated.

(g) Limitation.--No tax credits may be sold if the bidding process, upon completion, has failed to yield at least $75,000,000 in revenue.

(h) Confirmation.--The department must receive confirmation from the Department of Revenue, prior to issuing the written notice of approval, that the qualified taxpayer has filed all required State tax reports and returns for all applicable taxable years and paid any balance of State tax due as determined by assessment or determination by the Department of Revenue and not under timely appeal.

Section 1608-H.2. Payment for tax credits purchased and certificates.

(a) Payment of capital.--Capital committed by a qualified taxpayer shall be paid to the department for deposit into the fund. Nothing under this section shall prohibit the department from establishing an installment payment schedule for capital payments to be made by the qualified taxpayer.

(b) Issuance of tax credit certificates.--On receipt of payment of capital, the department shall issue to each qualified taxpayer a tax credit certificate representing a fully vested credit against insurance premiums tax liability.

(c) Certificate issued in accordance with bidding process.--The department shall issue tax credit certificates to qualified taxpayers in accordance with the bidding process selected by the department or the independent third party.

(d) Contents.--The tax credit certificate shall state all of the following:

(1) The total amount of premiums tax credits that the qualified taxpayer may claim.

(2) The amount of capital that the qualified taxpayer has contributed or agreed to contribute in return for the issuance of the tax credit certificate.

(3) The dates on which the tax credits will be available for use by the qualified taxpayer.

(4) Any penalties or other remedies for noncompliance.

(5) The procedures to be used for transferring the tax credits.

(6) Any other requirements the department considers necessary.

Section 1609-H.2. Failure to make contribution of capital and reallocation.

(a) Prohibition.--A tax credit certificate under section 1608-H.2 may not be issued to any qualified taxpayer that fails to make a contribution of capital within the time the department specifies.

(b) Penalty.--A qualified taxpayer that fails to make a contribution of capital within the time the department specifies shall be subject to a penalty equal to 10% of the amount of capital that remains unpaid. The penalty shall be paid to the department within 30 days after demand.

(c) Reallocation.--The department may offer to reallocate the defaulted capital among other qualified taxpayers, so that the result after reallocation is the same as if the initial allocation had been performed without considering the tax credit allocation to the defaulting qualified taxpayer.

(d) Contribution.--If the reallocation of capital under subsection (c) results in the contribution by another qualified taxpayer of the amount of capital not contributed by the defaulting qualified taxpayer, the department may waive the penalty provided under subsection (b).

(e) Transfer.--A qualified taxpayer that fails to make a contribution of capital within the time specified may avoid the imposition of the penalty by transferring the allocation of tax credits to a new or existing qualified taxpayer within 30 days after the due date of the defaulted installment. Any transferee of an allocation of tax credits of a defaulting qualified taxpayer under this subsection shall agree to make the required contribution of capital within 30 days after the date of the transfer.

Section 1610-H.2. Innovate in PA 2.0 Program.

(a) Establishment.--The Innovate in PA 2.0 Program is established within the department.

(b) Fund.--The Innovate in PA 2.0 Fund is established as a restricted account in the State Treasury. The net proceeds received by the department as a result of the sale of tax credits under section 1604-H.2(a) shall be deposited into the fund.

(c) Program purposes.--The department shall administer the program to distribute money from the fund for the following purposes:

(1) A transfer of funds to recapitalize the development authority venture funds which invest in venture funds that support innovation as companies scale and bring new technologies to market.

(2) In the form of grants to address regional and Statewide gaps in the life sciences and biotechnology industries for startup and small to mid-size businesses, as determined by the department.

(3) In the form of grants to support partnerships between biotechnology and life science companies, training providers and educational institutions that provide secondary school educational opportunities to prepare students from all backgrounds, including those historically underrepresented or from economically disadvantaged communities, for careers in the biotechnology or life sciences sectors.

(4) In the form of grants to seed and scale regional venture studios aligned with university research and regional economic strengths, with an emphasis in rural and economically disadvantaged areas as defined by the department.

(5) In the form of grants to develop and expand programs within the department to leverage Federal funding opportunities and technological innovations for the Commonwealth's research universities, workforce and technology startups.

Section 1611-H.2. Guidelines.

The department shall develop written guidelines implementing this article, including assignment of distribution percentages of net proceeds for each of the program purposes enumerated in section 1610-H.2.

Section 1612-H.2. Reports.

(a) Duties.--On or before January 1, 2028, and January 1 of each year thereafter, the department shall do the following:

(1) Submit a report on the implementation of the program to all of the following:

(i) The Governor.

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

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

(2) Publish the report under paragraph (1) on the department's publicly accessible Internet website.

(b) Contents.--The report under subsection (a) shall include the following:

(1) The name of the purchaser of premiums tax credits.

(2) The amount of premiums tax credits allocated to the purchaser.

(3) The amount of capital the purchaser contributed for

the issuance of the tax credit certificate.

(4) The amount of any tax credits that have been transferred under section 1609-H.2(e).

(5) The amount of funds received by the recipients during the previous year.

(6) The cumulative amount of capital received by the department in connection with the sale of the tax credits.

(7) The amount of capital remaining uninvested at the end of the preceding calendar year.

(8) The name, location, age of business, number of employees at time of investment and primary industry of business receiving capital from the recipients, the reason for the investment and the amount of the investment.

(9) The total number of jobs created in this Commonwealth by the investment and the average wages paid for the jobs.

(10) The total number of jobs retained in this Commonwealth as a result of the investment and the average wages paid for the jobs.

Section 1613-H.2. Miscellaneous.

(a) Municipal Pension Aid Fund and Fire Insurance Tax Fund.--

(1) The implementation and administration of this article, and the sale of tax credits authorized by this article, shall not impact the funding available via the Municipal Pension Aid Fund or the Fire Insurance Tax Fund established in section 902(b.1) of the Tax Reform Code of 1971, for firemen's relief pension or retirement purposes or for police pension retirement or disability purposes.

(2) Each fiscal year in which tax credits are claimed under this article, the Department of Revenue shall transfer from the General Fund to the Municipal Pension Aid Fund and to the Fire Insurance Tax Fund amounts necessary to offset the impact of these claims based on the provisions of section 902(b.1) of the Tax Reform Code of 1971.

(b) (Reserved).

ARTICLE XVI-Q.3

DESIGN BUILD BEST VALUE

Section 1601-Q.3. Scope of article.

This article relates to design build best value as an alternative procurement process for highway and bridge design and construction projects for the Pennsylvania Turnpike Commission.

Section 1602-Q.3. 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:

"Alternative technical concept" or "ATC." A proposed variance from the contractual requirements or request for proposals that is equal to or better than the requirements in the request for proposals document.

"Commission." The Pennsylvania Turnpike Commission.

"Design build best value." The source selection method other than competitive sealed proposals in 62 Pa.C.S. § 513 (relating to competitive sealed proposals), as described in section 1603-Q.3, which may be used by the commission acting as the purchasing agency, as an alternative to competitive sealed bidding and competitive sealed proposals.

"Offeror." An entity that submits a proposal in response to a request for proposals or request for qualifications.

"Project." The design and construction of a highway or bridge, or both, by the commission.

"Request for proposals." All documents, including those either attached or incorporated by reference, used for soliciting proposals.

"Request for qualifications." All documents, including those either attached or incorporated by reference, used for soliciting statements of qualifications.

"Responsible offeror." An entity that has submitted a responsive statement of qualifications to a request for qualifications or responsive proposal to a request for proposals and that possesses the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance as determined by the commission.

"Responsive proposal." A proposal which conforms in all material respects to the requirements and criteria in the request for proposals.

"Shortlisted offeror." An offeror that may qualify for a stipend because of the offeror's score, ranking or rating after submittal of the statement of qualifications.

"Statement of qualifications." An offeror's response to the commission, after the commission issues a request for qualifications.

Section 1603-Q.3. Design build best value process.

(a) Value score.--The commission may use the design build best value source selection method for projects in accordance with this section.

(b) Conditions for use.--Design build best value may be used when the commission determines that a project would benefit from the design build best value method of procurement due to one or more of the following factors:

(1) project complexity;

(2) potential for innovation;

(3) unique equipment or specialized systems;

(4) project risks;

(5) project schedule;

(6) other project considerations; and

(7) estimated project value.

(c) Projects procured.--The commission may advertise no more than 10 one-step design build best value procurements per calendar year and no more than 10 two-step design build best value procurements per calendar year.

(d) Public notice of determination for use of design build best value.--

(1) Except as provided under paragraph (2), the notice of determination under subsection (b) shall be posted by the commission for a period of 30 days prior to the date the procurement documents are posted on the commission's publicly accessible Internet website.

(2) The commission may elect a period of less than 30 days.

(e) Request for proposals.--

(1) After the determination under subsection (b) has been issued, the commission shall solicit proposals through a request for proposals.

(2) In accordance with subsection (c), the commission may conduct a one-step or two-step request for proposals, subject to the following:

(i) If the commission conducts a one-step request for proposals, the commission shall seek a technical and price proposal in accordance with subsection (i).

(ii) If the commission conducts a two-step request for proposals, the commission shall seek a statement of qualifications as step one in accordance with subsection (j) and a technical and price proposal as step two in accordance with subsection (k).

(3) The commission shall include a schedule in a request for proposals under this article that identifies the anticipated dates for the procurement, including an anticipated final selection of a best value offeror.

(f) Public notice.--Public notice of the one-step or two-step request for proposals shall be given in the same manner as provided in 62 Pa.C.S. § 512(c) (relating to competitive sealed bidding).

(g) Submission and receipt of statements of qualifications and proposals.--Offerors shall submit their statements of qualifications and proposals to ensure that their statements of qualifications and proposals are received prior to the times and dates established for the submission of statements of qualifications and proposals. Statements of qualifications and proposals shall be submitted in the format required by the request for qualifications and the request for proposals. Statements of qualifications and proposals shall be opened so as to avoid disclosure of their contents to competing offerors.

(h) Preproposal conference.--The commission shall schedule a preproposal conference after issuing the request for qualifications in a two-step procurement or the request for proposals in a one-step procurement, which conference may be held virtually. The commission shall indicate the date, time and location for a preproposal conference within the request for qualifications in a two-step procurement or the request for proposals in a one-step procurement.

(i) Request for technical and price proposals in a one-step procurement.--

(1) The commission shall issue a formal request for proposals publicly, which shall include separate proposals for a technical solution, to be known as the technical proposal, and the proposed price, to be known as the price proposal.

(2) After receipt of all technical proposals, the evaluation committee under subsection (t) shall evaluate each responsive proposal based on the criteria stated in the request for proposals. The technical and price proposals shall be evaluated and either scored or rated separately, as applicable. Except for a responsiveness determination made by a nonvoting member of the evaluation committee, a price proposal may not be opened until all technical proposals are scored or rated.

(3) In scoring or rating a technical proposal and price proposal, the evaluation committee shall consider the relative importance of the evaluation factors fixed prior to the opening of the technical and price proposals, which shall be stated in the request for proposals.

(4) Failure of an offeror to meet the requirements of a request for proposals shall result in the proposal being deemed nonresponsive.

(j) Statement of qualifications and short-list process in a two-step procurement.--

(1) A statement of qualifications received by the commission from a responsible offeror shall be scored or rated by an evaluation committee based on the criteria stated in the request for qualifications.

(2) After the statements of qualifications are scored or rated under paragraph (1), the evaluation committee shall develop a short list of the number of offerors established in the request for qualifications, which may identify the responsible offerors eligible to receive a stipend under subsection (o).

(3) The commission shall post a list and rank of all responsible offerors on the commission's publicly accessible Internet website.

(4) A responsible offeror that submitted a statement of qualifications under the request for qualifications process, but was not a shortlisted offeror by the commission, is ineligible to receive a stipend after the request for proposals process but may still submit proposals in response to the request for proposals in step two of the procurement under subsection (k).

(k) Request for technical and price proposals in a two-step procurement.--

(1) Following the creation of a short list and to the extent that the commission is satisfied with the number of responsible offerors, the commission shall issue a formal

request for proposals to all responsible offerors who submitted a responsive statement of qualifications, which shall seek separate proposals for a technical solution, to be known as the technical proposal, and the proposed price, to be known as the price proposal.

(2) After receipt of all technical proposals, the evaluation committee shall evaluate each submission based on the criteria stated in the request for proposals. The technical and price proposals shall be evaluated and scored or rated separately. Except for a responsiveness determination made by a nonvoting member of the evaluation committee, a price proposal may not be opened until all technical proposals are scored or rated.

(3) In scoring or rating a technical proposal and price proposal, the evaluation committee shall consider the relative importance of the evaluation factors fixed prior to the opening of the technical and price proposals, which shall be stated in the request for proposals.

(4) If the statement of qualifications rating or score will be included in the final rating or score for the design build best value two-step procurement, the request for proposals shall indicate that fact.

(l) Alternative technical concepts.--

(1) An alternative technical concept, proposed by an offeror, if any, shall be submitted by the offeror to the commission on or before the due date for ATC submission established by the request for proposal.

(2) The commission shall determine at its sole discretion whether an ATC is acceptable or approved.

(3) The commission may communicate individually with an offeror regarding its proposed or submitted ATC.

(4) Approval of an ATC will constitute a change in the specific requirements of the contractual requirements or request for proposals associated with the approved ATC for that specific offeror. An offeror shall ensure that its proposal complies with the request for proposals requirements for the specific offeror, as modified by approval of the ATC.

(5) Approval of an ATC in no way implies that the ATC or the proposal will receive a favorable review from the evaluation committee.

(m) Records of requests for alternative technical concepts and use of intellectual property.--

(1) Except as provided under paragraph (2), an ATC shall be confidential unless or until:

(i) the ATC is deemed to take advantage of an error or omission or reveals an area or discrepancy where a clarification may be warranted in the request for proposals or contract documents, which may be subsequently amended by the commission in its sole discretion;

(ii) cancellation of the procurement without selection of an offeror and upon an executed agreement for payment to an offeror in accordance with subsection (n) or (o);

(iii) the effective date of the contract as a result of the procurement or upon an executed agreement for payment to an unsuccessful offeror in accordance with subsection (n) or (o); or

(iv) another date as may be prescribed under applicable law, at which time all confidentiality rights, if any, shall be of no further force and effect except as otherwise allowed under the applicable law.

(2) An unsuccessful offeror's ATC is not a public record subject to inspection and duplication under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law, unless the commission enters into an agreement with an unsuccessful offeror for payment of the ATC.

(3) Except to the extent not transferable by law, the commission may use all or a portion of a submitted proposal and ATC, including the technologies, techniques, methods, processes and information contained in the proposal or ATC, with an agreement for payment of the ATC. Notice of nontransferability by law shall be given to the commission in response to the request for proposals or submittal of the ATC.

(4) Under no circumstances may the commission be responsible for or liable to an offeror or third party as a result of disclosing an offeror's ATC materials.

(n) Payment for alternative technical concept.--The commission may reasonably compensate any offeror for an ATC.

(o) Stipends.--

(1) A stipend shall be limited to a two-step procurement. The determination to offer a stipend and its amount under this subsection shall be determined by the commission on a project-by-project basis. The determination to offer a stipend in a two-step procurement and its terms shall be stated in the request for qualifications or request for proposals.

(2) In a two-step procurement, the commission may compensate unsuccessful responsible shortlisted offerors for a portion of the costs associated with the preparation of a responsive proposal in response to a request for proposals and for payment of an ATC. If a stipend is provided to unsuccessful shortlisted offerors, the commission may only provide payment if the unsuccessful shortlisted offeror's technical and price proposals are responsive and the offeror is a responsible offeror.

(3) The commission may not provide or award a stipend to an unsuccessful responsible shortlisted offeror more than one time. This paragraph shall not apply to an ATC.

(p) Due dates for technical proposal and price proposal.--

(1) The commission may determine that a technical

proposal is due on a date prior to the due date for a price proposal. All due dates shall be clearly stated by the commission in the request for proposals.

(2) If the commission seeks submission of a technical proposal prior to submission of the price proposal, a nonvoting member from the commission may seek written clarification from an offeror between the technical proposal due date and price proposal due date, which includes asking questions or seeking clarification regarding a technical proposal.

(3) After the technical proposal and price proposal due dates, the commission may seek clarification with responsible offerors. Responsible offerors shall be accorded fair and equal treatment with respect to any opportunity to provide clarification. In conducting a meeting for the purpose of clarification, the commission may not disclose information derived from proposals submitted by competing offerors.

(q) Selection for negotiation.--The responsible offeror whose proposal is determined in writing to be the most advantageous to the commission shall be selected for contract negotiations necessary to finalize a contract or to clarify any remaining issue regarding scope, schedule or any other information provided by the selected best value offeror without impacting material price and evaluation factors.

(r) Incorporation of an unsuccessful offeror's ATC.--Upon an executed agreement for payment to an unsuccessful offeror in accordance with subsection (n) or (o), the commission may utilize an unsuccessful offeror's ATC. If the commission chooses to incorporate the ATC into the contract executed as a result of the subject procurement, the commission and contractor shall execute a change order.

(s) Proposal validity period.--The request for proposals shall state the validity period for the proposal, unless extended by the mutual consent of the commission and offerors.

(t) Evaluation committee.--

(1) Notwithstanding any other provisions of this article, an evaluation committee under this article shall consist of at least five employees as determined by the commission. An individual who has been employed by an offeror within the preceding five years may not participate in the evaluation of any proposals submitted by that offeror.

(2) Nothing in this subsection shall be construed to prohibit an employee of the Department of Transportation to participate on an evaluation committee for the commission.

Section 1604-Q.3. Applicability of other laws.

(a) Construction.--Except as provided under subsection (b), laws related to the design, construction, operation or financing of a project in effect on the date the agreement is fully executed shall apply to the agreement between the commission and contractor. The provisions shall also include:

(1) The act of May 1, 1913 (P.L.155, No.104), referred

to as the Separations Act.

(2) The act of August 15, 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage Act.

(b) Application.--Only the following provisions of 62 Pa.C.S. (relating to procurement) shall apply to this article:

(1) Section 102 (relating to application of part).

(2) Section 107 (relating to reciprocal limitations).

(3) Section 301 (relating to procurement responsibility).

(4) Section 521 (relating to cancellation of invitations for bids or requests for proposals).

(5) Section 531 (relating to debarment or suspension).

(6) Section 541 (relating to approval of accounting system).

(7) Section 542 (relating to multiterm contracts).

(8) Section 551 (relating to right to inspect plant).

(9) Section 552 (relating to right to audit records).

(10) Section 562 (relating to anticompetitive practices).

(11) Section 563 (relating to retention of procurement records).

(12) Section 902 (relating to bid or proposal security).

(13) Section 903 (relating to contract performance security and payment bonds).

(14) Section 904 (relating to copies of bonds).

(15) Chapter 17 (relating to legal and contractual remedies).

(16) Chapter 23 (relating to ethics in public contracting).

(17) Chapter 35 (relating to Iran-free procurement).

(18) Chapter 36 (relating to prohibited contracts).

(19) Section 3701 (relating to contract provisions prohibiting discrimination).

(20) Section 3921 (relating to retainage).

(21) Section 3922 (relating to payment of retainage to subcontractors).

(22) Section 3931 (relating to performance by contractor or subcontractor).

(23) Section 3932 (relating to government agency's progress payment obligations).

(24) Section 3933 (relating to contractors' and subcontractors' payment obligations).

(25) Section 3934 (relating to withholding of payment for good faith claims).

(26) Section 3935 (relating to penalty and attorney fees).

(27) Section 3936 (relating to contracts involving Federal aid).

(28) Section 3937 (relating to certain provisions unenforceable).

(29) Section 3938 (relating to applicability).

(30) Section 3939 (relating to claims by innocent parties).

(31) Section 3941 (relating to substantial/final payment under contract).

(32) Section 3942 (relating to arbitration).

(33) Section 4506 (relating to liability for increased costs).

(34) Section 4507 (relating to noncollusion affidavits).

Section 1605-Q.3. Limitation on powers and duties and existing contracts.

(a) Restriction.--The powers and duties of the commission under this article may not be exercised beginning four years after the effective date of this section.

(b) Exception.--Notwithstanding subsection (a), all fully executed contracts procured by use of this article shall remain in full force and effect, unless terminated in accordance with the terms of the contract.

Section 1606-Q.3 Project reporting.

(a) Project information.--The commission shall include project information related to design build best value on the commission's publicly accessible Internet website.

(b) Report.--The commission shall prepare a report on design build best value. The report shall include, and is not limited to, the description of any project approved, including the conditions for use under section 1603-Q.3, cost benefit analysis of pursuing the project with design build best value instead of normal procurement methods, recommendations to improve the act and descriptions of how the commission is managing design build best value, including any policy guidance. The commission shall complete the report following completion of the procurement using design build best value and provide a copy to the chairperson and minority chairperson of the Transportation Committee of the Senate and the chairperson and minority chairperson of the Transportation Committee of the House of Representatives.

Section 10. Section 1602-T(1)(i) of the act is amended to read:

Section 1602-T. Medical assistance payments for institutional care.

Notwithstanding section 443.1(7)(iv) of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code:

(1) Payments to county and nonpublic nursing facilities enrolled in the medical assistance program as providers of nursing facility services shall be determined in accordance with the methodologies for establishing payment rates for county and nonpublic nursing facilities specified in the Department of Human Services's regulations and the Commonwealth's approved Title XIX State Plan for nursing facility services in effect after June 30, 2007. The following shall apply:

(i) Subject to Federal approval of such amendments as may be necessary to the Commonwealth's approved Title XIX State Plan, the Department of Human Services shall apply a revenue adjustment neutrality factor to county and nonpublic nursing facility payment rates so that the estimated Statewide day-weighted average payment rate in effect for that fiscal year is limited to the amount permitted by the funds appropriated by the General Appropriation Act for the fiscal year. The Department of Human Services shall apply the revenue adjustment neutrality factor as follows:

(A) The revenue adjustment neutrality factor shall remain in effect until the sooner of June 30, [2026] 2028, or the date on which a new rate-setting methodology for medical assistance nursing facility services which replaces the rate-setting methodology codified in 55 Pa. Code Chs. 1187 (relating to nursing facility services) and 1189 (relating to county nursing facility services) takes effect.

(B) Beginning on January 1, 2027, the Department of Human Services shall apply a revenue adjustment neutrality factor of not less than 0.86 to nonpublic nursing facility rates.

* * *

Section 11. Section 1603-T(a) introductory paragraph, (2)(i) and (ii) and (3), (b)(2)(ii)(C) and (5) and (c)(3)(ii) of the act, amended November 12, 2025 (P.L.156, No.45), are amended to read:

Section 1603-T. Resident care and related costs.

(a) County and nonpublic nursing facility.--The following applies to a county and nonpublic nursing facility enrolled in the medical assistance program, including a nursing facility affiliated with a continuing care retirement community:

* * *

(2) [Except as provided under paragraph (3), the] The Department of Human Services shall use the following methodology to determine the facility's compliance with paragraph (1):

(i) Add the facility's [unallocated Total Net Operating Costs] allowable nursing facility net operating costs reported [as total expenses] on column G of the facility's Schedule C of the MA-11, plus the [following capital costs] rent of the facility reported by the facility on column G of its Schedule C, plus excess administrative costs as reported on Schedule G on the MA-11 multiplied by the nursing facility allocation percentage on column I of the administrative cost center of the facility's Schedule C to determine the facility's total costs.[:

(A) Real estate taxes.

(B) Nursing facility assessment/HAI assessment.

(C) Depreciation.

(D) Interest on capital indebtedness.

(E) Rent on facility.

(F) Amortization capital costs.]

(ii) [Add the facility's unallocated Total Resident Care Costs reported as total expenses on the facility's Schedule C and the unallocated Total Other Resident Related Costs reported as total expenses on the facility's Schedule C to determine the facility's total resident cost of care.] <u>Add the facility's allowable nursing facility total resident care costs as reported on column G of the facility's Schedule C and the allowable nursing facility's total other resident related costs as reported on column G of the facility's Schedule C.</u>

* * *

[(3) When a county or nonpublic nursing facility is affiliated with a continuing care retirement community, the following shall apply:

(i) The facility shall submit a supplemental cost report form apportioning the capital costs related to the nursing facility, in a form and manner as prescribed by the Department of Human Services.

(ii) The Department of Human Services shall use the following methodology to determine the facility's compliance with paragraph (1):

(A) Add the facility's unallocated Total Net Operating Costs reported as total expenses on the facility's Schedule C of the MA-11, plus the following capital costs, reported by the facility on its supplemental cost report form under subparagraph (i), to determine the facility's total costs:

(I) Real estate taxes.

(II) Nursing facility assessment/HAI assessment.

(III) Depreciation.

(IV) Interest on capital indebtedness.

(V) Rent on facility.

(VI) Amortization capital costs.

(B) Add the facility's unallocated Total Resident Care Costs reported as total expenses on the facility's Schedule C and the unallocated Total Other Resident Related Costs reported as total expenses on the facility's Schedule C to determine the facility's total resident cost of care.

(C) Divide the facility's total resident cost of care under clause (B) by the facility's total costs under clause (A) to determine the percentage of total costs related to resident care and other resident-related costs.]

(b) Penalty.--

* * *

(2) The formula for determining the maximum penalty

amount is as follows:

* * *

(ii) Determine the penalty amount as follows:

* * *

(C) Multiply the product under clause (B) by the county or nonpublic nursing facility's fee-for-service per diem payment rate as of [June 30, 2022.] the last day of the cost reporting period of the facility's MA-11 used for the calculations in subsection (a)(2).

* * *

(5) Paragraph (4) shall expire December 31, [2026] 2031.

(c) Nursing Facility Quality Improvement Fund.--

* * *

(3) Money in the fund shall be expended by the Department of Human Services for the following purposes:

* * *

(ii) To provide funding for nursing facility quality improvement or innovation.

* * *

Section 12. Section 1604-T of the act is amended to read:

Section 1604-T. LIFE Program.

[(a) Applicability.--This section shall apply notwithstanding section 602 of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code.]

(a.1) Information materials.--Informational materials and [Department of Human Services] department correspondence used by the [Department of Human Services] department and the Independent Enrollment Broker to educate or notify an eligible individual about long-term care services and supports, including [an] the eligible individual's rights, responsibilities and choice of managed care organization to cover long-term care services and supports, shall include the following:

(1) A description of the LIFE program[.], including a list of frequently asked questions developed with input from LIFE providers to provide clarification on specific program benefits and requirements.

(2) A statement that [an] the eligible individual has the option to enroll in the LIFE program or a managed care organization under the Community HealthChoices program.

(3) Contact information for [LIFE providers.] the assigned LIFE provider for the eligible individual's residence.

(4) A comparison of the services provided by the Community HealthChoices program and by the LIFE program.

(5) An attestation form to be signed by the eligible individual indicating the eligible individual's understanding of the services offered by the LIFE program. The department shall engage LIFE providers in developing the language and content of the attestation form under this paragraph.

(b) Training.--The [Department of Human Services] department shall continue to provide training to the Independent Enrollment Broker on the LIFE program through the Independent Enrollment Broker LIFE module to better educate the Independent Enrollment Broker and to require that the LIFE program is offered equally to eligible individuals.

(c) Report.--At the end of each quarter, the [Department of Human Services] department shall issue a report to the chairperson and minority chairperson of the Health and Human Services Committee of the Senate and the chairperson and minority chairperson of the Human Services Committee of the House of Representatives that tracks by county the enrollment of eligible individuals in long-term care service programs by the Independent Enrollment Broker, including managed care organizations and LIFE programs. The report shall also include documentation of compliance with subsections (a) and (b).

(d) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Department." The Department of Human Services of the Commonwealth.

"Eligible individual." An individual 55 years of age or older who is a resident of this Commonwealth, resides in an area served by a LIFE program and requires long-term services or supports in order to remain living in the community and not in a nursing facility.

"Independent Enrollment Broker." A contracted Statewide entity that facilitates the eligibility and enrollment process for individuals seeking home- and community-based services and works with service coordination providers to respond to participants' needs.

"LIFE program." A program which is a managed care program that provides all-inclusive care for elderly individuals in this Commonwealth as established in accordance with 42 CFR Pt. 460 (relating to programs of all-inclusive care for the elderly (PACE)).

Section 13. The act is amended by adding sections to read:

Section 1607-T. Transition to chip-enabled access cards.

(a) Requirement.--To the extent money is appropriated for this purpose, the Department of Human Services shall transition all access cards for use in the Supplemental Nutrition Assistance Program to include chip-enabled technology no later than January 1, 2028.

(b) Fiscal responsibility.--The Department of Human Services shall implement the transition under subsection (a) in a manner that balances efficiency and cost-effectiveness and provides enhanced security features such as tap-to-pay technology or other technology to prevent benefit theft.

(c) Cost.--The department shall provide one chip-enabled access card per eligible recipient at no cost to the recipient.

(d) Duty of department.--The Department of Human Services shall:

(1) Within 90 days of chip-enabled access cards being made available in every county, issue a final report evaluating the transition to chip-enabled access cards under this section to:

(i) The chairperson and minority chairperson of the Health and Human Services Committee of the Senate.

(ii) The chairperson and minority chairperson of the Human Services Committee of the House of Representatives.

(2) Perform outreach to vendors on the transition under subsection (a), including system upgrades that a vendor may need to implement.

(3) Perform outreach to recipients on the transition, including posting on the department's publicly accessible Internet website, in a shareable format, resources and frequently asked questions regarding the use of access cards with chip-enabled technology.

(4) Establish a procedure to distribute access cards to eligible recipients in emergency situations.

(5) Take necessary steps, where possible, to maximize funding with Federal or other funding sources by October 1, 2026.

(e) Construction.--Nothing in this section shall be construed to limit the Department of Human Services' authority to implement future changes to access cards to enhance benefit security.

Section 1608-T. Medical Assistance Reentry Program.

Notwithstanding any other provision of law, and subject to Federal approval and contingent on funding being appropriated for this purpose, beginning July 1, 2026, the Department of Human Services is authorized to establish a reentry program under the medical assistance program for recipients who are incarcerated in a participating correctional institution. The reentry program shall, at a minimum, provide eligible recipients access to substance use disorder treatment and case management services prior to release from a participating correctional institution.

Section 1609-T. Children's Trust Fund.

(a) Training.--Organizations providing training, technical assistance and other support to court-appointed special advocates shall be eligible to apply for grants awarded by the Children's Trust Fund. Applications meeting grant solicitation criteria shall be accepted from the following:

(1) An organization that serves one or more counties.

(2) An organization that operates Statewide to establish new county-level programs.

(b) Applicability.--The following shall apply to an organization applying under subsection (a)(2):

(1) The application must include a letter of support from the court of common pleas in the county in which the new program will be located.

(2) The organization may use any funds available to meet

match requirements to the extent permitted by law.

(3) An organization under this subsection may submit more than one application per solicitation provided that no application is with the same county-level partner.

(c) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Children's Trust Fund." The trust fund established under the act of December 15, 1988 (P.L.1235, No.151), known as the Children's Trust Fund Act.

"Court-appointed special advocate" or "CASA." As defined in 42 Pa.C.S. § 6302 (relating to definitions).

Section 1610-T. Medical assistance pharmacy services.

(a) Authorization.--A pharmacy benefit manager or pharmacy services administration organization that has terminated a contract with or disenrolled a pharmacy for cause shall authorize the pharmacy to reapply to be included within the network where:

(1) 12 months have lapsed from the date of termination or disenrollment; and

(2) the pharmacy is qualified to participate and is enrolled in the Medical Assistance Program.

(b) Construction.--This section shall not be construed to require a pharmacy benefit manager or pharmacy services administration organization to contract with a pharmacist or pharmacy if the pharmacist or pharmacy was disenrolled or terminated for any of the following:

(1) A violation of section 1407 of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code.

(2) A criminal violation of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act.

(3) A criminal violation of 21 U.S.C. § 841 (relating to prohibited acts A).

(4) A violation of a similar offense to paragraph (1) or (2) in another jurisdiction.

(c) Willing participant.--A qualified pharmacy under subsection (a) that was not terminated or disenrolled subject to violations in subsection (b) shall be deemed a willing provider and the managed care organization, its pharmacy benefit manager or pharmacy services administration organization shall contract with the qualified pharmacy that is willing to comply with payment rates and adhere to quality standards in accordance with section 449 of the Human Services Code.

(d) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Managed care organization." A licensed managed care organization with an agreement with the Department of Human Services to provide or arrange services to a Medical Assistance recipient.

"Pharmacy benefit manager." As defined in section 449 of the Human Services Code.

"Pharmacy services administration organization." As defined in section 449 of the Human Services Code.

Section 13.1. Article XVI-X of the act is amended by adding subarticles to read:

SUBARTICLE D

ADDITIONAL ZONE FOR SHIPBUILDING

Section 1631-X. Additional keystone opportunity expansion zone for shipbuilding.

(a) Designation.--In addition to a designation under this article, Article XIX-D of the Tax Reform Code of 1971 or Chapter 3 of the KOZ Act, the department may designate one additional keystone opportunity expansion zone in a city and county of the first class.

(b) Criteria.--Notwithstanding Article XIX-D of the Tax Reform Code of 1971 and the KOZ Act, the additional keystone opportunity expansion zone under subsection (a) shall satisfy all of the following criteria:

(1) The additional keystone opportunity expansion zone may not exceed 350 acres in the aggregate.

(2) Each parcel comprising the additional keystone opportunity expansion zone shall, on a date determined by the department, satisfy any of the following:

(i) Be deteriorated property.

(ii) Be underutilized.

(iii) Be an unoccupied parcel.

(3) Each parcel shall have been formerly used as a naval base or for commercial shipbuilding and related activities.

(4) The additional keystone opportunity expansion zone may not include a parcel designated as a keystone opportunity expansion zone on the effective date of this paragraph.

(c) Authorization.--

(1) A qualified business located within the additional keystone opportunity expansion zone authorized under subsection (a) shall be entitled to all tax exemptions, deductions, abatements or credits under Chapter 5 of the KOZ Act for a period of 10 years.

(2) The exemption for sales and use tax under section 511(a) of the KOZ Act shall commence upon designation of the additional keystone opportunity expansion zone by the department and shall continue for a period of 10 years.

(d) Application.--

(1) To receive a designation under subsection (a), one or more businesses must submit an application to the department on a form developed by the department. The department must receive the application no later than October 1, 2026.

(2) The department, in consultation with the Department of Revenue, shall review the application. If the department approves the application, the department shall issue a

certification of all tax exemptions, deductions, abatements or credits under Chapter 5 of the KOZ Act consistent with subsection (c) within three months after receiving the application.

(3) The department shall act on an application for a designation under subsection (a) no later than July 31, 2027. A designation approved under subsection (a) shall take effect August 1, 2027.

(e) Eligibility and noncompliance.--

(1) Upon designation of the additional keystone opportunity expansion zone under subsection (a), a qualified business shall be eligible for all tax exemptions, deductions, abatements or credits under Chapter 5 of the KOZ Act.

(2) If the department determines that a qualified business has failed to satisfy the requirements of the KOZ agreement, the following shall apply:

(i) The qualified business shall no longer be eligible to receive a tax exemption, deduction, abatement or credit under Chapter 5 of the KOZ Act for business activity conducted at one or more parcels in the additional keystone opportunity expansion zone.

(ii) The department may require the qualified business to refund all or part of a tax exemption, deduction, abatement or credit received under this section for business activity conducted at one or more parcels in the additional keystone opportunity expansion zone.

(f) Applicability.--

(1) A tax exemption, deduction, abatement or credit authorized under Chapter 7 of the KOZ Act shall not apply to the additional keystone opportunity expansion zone designated under subsection (a).

(2) The department may not require a qualified political subdivision in which a parcel proposed for inclusion in the additional keystone opportunity expansion zone is located to approve an application submitted under subsection (d).

(3) A tax exemption, deduction, abatement or credit authorized under Chapter 5 of the KOZ Act applies only to business activity conducted within a parcel comprising the additional keystone opportunity expansion zone.

(4) A determination by the department as to whether a qualified business has satisfied the requirements of the KOZ agreement shall bind the Department of Revenue.

(g) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Deteriorated property." As defined in section 103 of the KOZ Act.

"KOZ agreement." An agreement among a business, the business's affiliates and the department, on a form developed by the department, under which the business and the business's affiliates commit, in the aggregate, to satisfy all of the following requirements:

(1) Create at least 250 full-time jobs at one or more parcels in the additional keystone opportunity expansion zone within five years after a date determined by the department and maintain those jobs at one or more parcels in the additional keystone opportunity expansion zone for an additional five years.

(2) Make a capital investment of at least $100,000,000 at one or more parcels in the additional keystone opportunity expansion zone within five years after a date determined by the department.

(3) Conduct shipbuilding activities at one or more parcels in the additional keystone opportunity expansion zone for at least 10 years beginning on a date determined by the department.

"Qualified business." A business that meets all of the following requirements:

(1) Is authorized to do business in this Commonwealth.

(2) Is located or partially located within the additional keystone opportunity expansion zone designated under subsection (a).

(3) Engages in commercial shipbuilding activities within the additional keystone opportunity expansion zone.

(4) Meets the requirements of section 307 of the KOZ Act for the taxable year.

(5) Has entered into a KOZ agreement.

"Qualified political subdivision." As defined in section 103 of the KOZ Act.

SUBARTICLE E

ADDITIONAL ZONES

Section 1641-X. Additional keystone opportunity expansion zone for certain counties of the second class A.

(a) Establishment.--In addition to any designations under Articles XVI-X, XVI-X.1 and XIX-D of the Tax Reform Code of 1971 or the KOZ Act, the department may designate one additional keystone opportunity expansion zone that includes an area in a township of the second class that is located in a county of the second class A and has a population of at least 60,000 but less than 65,000 based on the 2020 Federal decennial census.

(b) Criteria.--Notwithstanding Article XIX-D of the Tax Reform Code of 1971 and the KOZ Act, the additional keystone opportunity expansion zone under subsection (a):

(1) May not be less than 15 acres in size.

(2) May not exceed, in the aggregate, a total of 25 acres.

(c) Authorization.--

(1) Businesses and affiliates of the businesses located within the additional keystone opportunity expansion zone authorized under this section shall be entitled to all tax

exemptions, deductions, abatements or credits under Chapter 5 of the KOZ Act for a period of 10 years.

(2) Exemptions for sales and use taxes under section 511(a) of the KOZ Act shall commence upon designation of the keystone opportunity expansion zone by the department and shall continue for 10 years.

(d) Application.--

(1) In order to receive a designation under this section, the department must receive an application from an economic development authority, or an economic development authority's designee, no later than October 1, 2027. The application must contain the information required under section 302(a)(1), (2)(i) and (ix) and (5) of the KOZ Act.

(2) The department, in consultation with the Department of Revenue, shall review the application and, if approved, issue a certification of all tax exemptions, deductions, abatements or credits under Chapter 5 of the KOZ Act consistent with subsection (c) within three months of receipt of the application.

(3) The department shall act on an application for a designation under this section no later than December 31, 2027.

(e) Applicability.--

(1) The provisions of section 902 of the KOZ Act shall apply to the additional keystone opportunity expansion zone approved under this section.

(2) The exemptions, deductions, abatements or credits authorized under Chapter 7 of the KOZ Act shall not apply to this section.

(3) The department may not require that the political subdivision in which the additional keystone opportunity expansion zone under this section is located approve an application submitted under subsection (d).

Section 14. The act is amended by adding articles to read:

ARTICLE XVI-X.2

RESIDENTIAL REVITALIZATION KEYSTONE OPPORTUNITY ZONES

Section 1601-X.2. 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:

"Approved residential revitalization zones." A residential revitalization Keystone Opportunity Zone approved by the department.

"Blighted residential property." A property meeting one or more of the conditions declared under section 2 of the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law.

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

"Industrial and commercial development authority." An authority organized under the act of August 23, 1967 (P.L.251, No.102), known as the Economic Development Financing Law, or any successor entity designated by the county to administer projects under this article.

"KOZ Act." The act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act.

"Residential revitalization Keystone Opportunity Zone." A project that includes one or more of the following:

(1) Acquisition of blighted residential property.

(2) Demolition of blighted residential property structures.

(3) Environmental remediation.

(4) Site preparation.

(5) Public or private infrastructure improvements.

(6) Rehabilitation or reconstruction of existing structures.

(7) Adaptive reuse of existing structures.

(8) New residential construction.

(9) Mixed-use development containing a residential component.

"Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

Section 1602-X.2. Residential revitalization Keystone Opportunity Zones.

(a) Establishment.--In addition to any designations under this act, Article XIX-D of the Tax Reform Code of 1971 or the KOZ Act, the department shall designate up to 300 acres in the aggregate for residential revitalization Keystone Opportunity Zones in counties of the fourth class having a population of at least 130,000 but less than 135,000 based on the 2020 Federal decennial census. Of the 300 acres, at least 50 acres must be within cities of the third class situated in a county of the fourth class.

(b) Proposed projects.--To be designated as an approved residential revitalization zone:

(1) parcels may be less than 10 acres; and

(2) applications may contain more than one parcel.

Section 1603-X.2. State tax benefits authorization.

An approved residential revitalization zone shall be utilized primarily for residential redevelopment purposes and the following apply:

(1) An approved residential revitalization zone shall be entitled to all tax exemptions, deductions, abatements or credits under Chapter 5 of the KOZ Act.

(2) Exemptions for sales and use taxes under section 511(a) of the KOZ Act shall commence upon designation under subsection (a) and shall continue for 10 years.

(3) In accordance with section 306 of the KOZ Act, a person who is a resident of or a business operating within a parcel in an approved residential revitalization zone shall receive the exemptions, deductions, abatements or credits as

provided under Chapter 5 of the KOZ Act for the duration of the approved residential revitalization zone. Exemptions, deductions, abatements or credits shall expire on the date of expiration of the approved residential revitalization zone.

(4) The Department of Revenue shall administer, construe and enforce the provisions of this section in conjunction with Articles II, III, IV, VI, VII, IX and XV of the Tax Reform Code of 1971.

Section 1604-X.2. Applications.

Applications for an approved residential revitalization zone shall comply with the following:

(1) In order to receive a designation under this article, the department must receive an application from an industrial and commercial development authority or a municipality located in a county described under section 1602-X.2(a) between October 1, 2026, and no later than October 1, 2029.

(2) The department, in consultation with the Department of Revenue, shall review applications and, if approved, issue a certificate of all tax exemptions, dedications, abatements or credits under Chapter 5 of the KOZ Act, consistent with section 1603-X.2, within three months of receipt of the application.

(3) The department shall approve or disapprove all applications for residential revitalization Keystone Opportunity Zones before December 31, 2029.

Section 1605-X.2. Applicability.

The following apply:

(1) Exemptions, dedications, abatements or credits under Chapter 7 of the KOZ Act shall not apply to this article.

(2) The department may not require that the political subdivision in which the approved residential revitalization zone is located approves an application submitted under section 1604-X.2.

(3) Section 902 of the KOZ Act shall apply to approved residential revitalization zones.

ARTICLE XVI-Z.2

VIOLENT INCIDENT CLEARANCE AND

TECHNOLOGICAL INVESTIGATIVE METHODS

Section 1601-Z.2. 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:

"Cleared by arrest." Referring to an offense that a law enforcement agency reports is solved and closed for crime reporting purposes, when at least one individual has been arrested, charged with the commission of the offense and turned over to the court for prosecution, whether following arrest, court summons or police notice.

"Cleared by exceptional means." Referring to an offense for which a law enforcement agency has:

(1) identified the offender;

(2) gathered enough evidence to support an arrest, make a charge and turn over the offender to the court for prosecution;

(3) identified the offender's exact location so that the offender could be taken into custody immediately; and

(4) encountered a circumstance outside the control of the law enforcement agency that prohibits the law enforcement agency from arresting, charging and prosecuting the offender.

"Commission." The Pennsylvania Commission on Crime and Delinquency.

"Homicide." Either of the following:

(1) Murder of the first degree as defined in 18 Pa.C.S. § 2502(a) (relating to murder).

(2) Murder of the second degree as defined in 18 Pa.C.S. § 2502(b).

"Law enforcement agency." A public agency of a political subdivision having general police powers and charged with investigating and making arrests in connection with violent crimes.

"Program." The Violent Incident Clearance and Technological Investigative Methods Program established under section 1602-Z.2(a).

"Violent crime." A crime of violence as defined in 42 Pa.C.S. § 9714(g) (relating to sentences for second and subsequent offenses).

Section 1602-Z.2. Violent Incident Clearance and Technological Investigative Methods Program.

(a) Establishment.--The Violent Incident Clearance and Technological Investigative Methods Program is established in the commission.

(b) Purpose.--The program shall provide grants to law enforcement agencies so that law enforcement agencies have the necessary tools and resources to improve clearance rates of homicides and other violent crimes.

(c) Applications.--The commission shall prescribe the form and manner in which an application may be submitted to receive a grant under the program. The commission shall accept applications on an annual basis.

(d) Use of grants.--A law enforcement agency may use a grant under the program for any of the following:

(1) Retaining and training of existing personnel responsible for investigating homicides and other violent crimes and costs associated with the retention and training.

(2) Acquiring, upgrading or replacing technology or equipment related to evidence collection, evidence processing and forensic testing related to homicides and other violent crimes.

(3) Retaining and training of existing personnel responsible for the collection, processing and forensic testing of evidence related to homicides and other violent

crimes and costs associated with the retention and training.

(4) Retaining and training of existing personnel analyzing homicides and other violent crimes, including the temporal and geographic trends and costs associated with the retention and training.

(5) Upgrading record management systems to achieve compliance with the reporting requirements specified in this article.

(6) Supporting witnesses to help in the investigations of homicides and other violent crimes.

(7) Ensuring compliance with the reporting requirements of this article.

(e) Supplemental nature of grants.--Grants allocated through the program shall be used to supplement and not supplant existing funding for law enforcement agencies.

(f) Subsequent applications.--Nothing in this section shall be construed to prohibit a law enforcement agency from making an application to receive a grant under the program in a subsequent year for the same purpose and amount as in the prior year.

(g) Geographic diversity.--

(1) The commission shall ensure that grants awarded under the program are geographically dispersed throughout this Commonwealth.

(2) The commission shall reserve not less than 10% of available grants under the program for law enforcement agencies serving rural communities.

(h) Multijurisdictional applications.--Two or more otherwise eligible law enforcement agencies representing different jurisdictions within this Commonwealth may submit a joint application for a grant under this program.

Section 1603-Z.2. Reporting.

Each grant recipient under the program shall submit a report to the commission in the form and manner determined by the commission. At a minimum, each report shall contain the following:

(1) The number of criminal incidents involving one or more homicides or violent offenses as follows:

(i) The number of homicides or violent offenses per criminal incident.

(ii) The number of offenses involved in each criminal incident that were cleared by arrest.

(iii) The number of offenses involved in each criminal incident that were cleared by exceptional means.

(2) For each offense in paragraph (1), the date the offense was committed and the date the offense was cleared.

(3) The number of personnel, including sworn law enforcement officers and nonsworn civilian staff, hired or assigned to investigate homicides and other violent crimes.

(4) The number of personnel hired or assigned to collect, process and test forensic evidence.

(5) The description of any training developed or

implemented.

(6) The description of any technology or record management systems purchased, acquired or upgraded.

(7) The percentage of the grant award utilized for each eligible use specified in this article.

Section 1604-Z.2. Evaluation.

(a) Purpose.--The commission shall evaluate the program to help identify:

(1) whether the objectives of the program have been met; and

(2) the program's impact, strengths and areas of potential improvement.

(b) Contents.--Each evaluation of the program shall include the following:

(1) Performance metrics, which must include:

(i) The fraction of offenses in each category that were cleared by arrest and cleared by exceptional means.

(ii) The average duration between the date of the offense and the date of the clearance for each offense category included in the reporting under this article.

(iii) The percentage of the award utilized for each eligible use.

(2) Program assessment, which must include an analysis of:

(i) Practices implemented by grant recipients under the program that the commission deems to be successful in improving clearance rates.

(ii) Areas for improvement that would enhance the impact of the program specifically and increase clearance rates generally.

(c) Submittal.--No later than one year after the effective date of this subsection and by March 31 of each year thereafter, the commission shall submit an evaluation in accordance with this section to:

(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.

(3) The chairperson and minority chairperson of the Judiciary Committee of the Senate.

(4) The chairperson and minority chairperson of the Judiciary Committee of the House of Representatives.

(d) Limitation on administrative expenses.--The commission may not expend more than 3% of money appropriated to the commission for the program on administrative expenses.

Section 15. Section 1702-A(b)(1) of the act is amended by adding a subparagraph to read:

Section 1702-A. Funding.

* * *

(b) Transfer of portion of surplus.--

(1) Except as may be provided in paragraph (2), for

fiscal years beginning after June 30, 2002, the following apply:

* * *

(xv) No amount of the surplus in the General Fund for fiscal year 2025-2026 may be deposited into the Budget Stabilization Reserve Fund.

* * *

Section 15.1. Section 1777-A(b) of the act, added July 11, 2024 (P.L.550, No.54), is amended and the section is amended by adding a subsection to read:

Section 1777-A. Pennsylvania Convention Center.

* * *

(b) Itemization extension.--A base project allocation of $234,900,000 shall be made in addition to the amounts authorized in section 3(51)(i)(A) of Act 53 of 2007. The following shall apply:

(1) The amount allocated under this subsection to the project may not exceed a cumulative amount of $234,900,000. The payments shall be for reimbursement to the Commonwealth, any other body corporate and politic created by law or a city of the first class to the extent that the Commonwealth, any other body corporate and politic created by law or the city of the first class has made their debt service payments for the Pennsylvania Convention Center or has made payments for the capital, debt and operating expenses, including required reserves, of the Pennsylvania Convention Center approved by the Secretary of the Budget. Any payments made pursuant to this paragraph which are reimbursements to the Commonwealth shall be deposited into the Capital Debt Fund for repayment of debt issued. The amount allocated under this subsection to the project shall be available until December 31, 2039.

(2) Notwithstanding any other law, in any year, the amounts for the project may be expended only if:

(i) the amounts allocated to the project, other than the amounts under paragraph (1), from the Pennsylvania Gaming Economic Development and Tourism Fund pursuant to section 3(51)(i)(A) of Act 53 of 2007 have been expended for the project to their fullest extent allowable in that year; or

(ii) the purpose for which the amounts are being utilized for the project is a purpose that is not a permissible purpose under section 3(51)(i)(A) of Act 53 of 2007 but is a permissible purpose under paragraph (1).

(3) Nothing under this subsection is intended to supersede or modify sections 3(51)(i)(A) and 4(9) of Act 53 of 2007.

(4) Payments authorized under this subsection may not exceed $234,900,000.

[(b) Definition.--As used in this section, the term "operating agreement" means an] (c) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Act 53 of 2007." The act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007.

"Operating agreement." An agreement between the Commonwealth, a city of the first class and a convention center authority established under 64 Pa.C.S. Ch. 60 (relating to Pennsylvania Convention Center Authority) and executed prior to the effective date of this subsection.

"Project." The project described in section 3(51)(i)(A) of Act 53 of 2007.

Section 15.2. The act is amended by adding a section to read:

Section 1702-A.1. Veterans' Trust Fund Board.

(a) Establishment of board.--The Veterans' Trust Fund Board is established as an advisory board within the department. The following shall apply:

(1) The purpose of the board is to increase donations to the fund, provide for the effective management of the fund and effectuate an equitable and broad distribution of money in the fund.

(2) The board shall have the following duties:

(i) Advise the department on the priorities of the Veterans' Trust Fund grants.

(ii) Review Veterans' Trust Fund grant applications.

(iii) Raise public awareness of the fund to encourage donations and organization participation.

(iv) Review fund audits and reports and recommend performance audit metrics in consultation with the Auditor General to be utilized and implemented by organizations receiving Veterans' Trust Fund grants.

(v) Recommend legislative or policy changes necessary to enhance the fund and the distribution of money from the fund.

(3) The duties of the board under paragraph (2) relating to grants shall not apply to funds distributed under 51 Pa.C.S. Ch. 85 (relating to veterans' temporary assistance).

(4) Members of the board shall be veterans, family members of veterans or individuals who have experience in serving veterans. In determining who to appoint to the board, consideration shall be given to subject matter experts in veterans issues regarding behavioral health, mental health, posttraumatic stress disorder injuries, physical disabilities, employment, housing or other social determinants of health. The board shall consist of the following:

(i) The Deputy Adjutant General for Veterans' Affairs or a designee, who shall serve ex officio.

(ii) The chairperson and minority chairperson of the Veterans Affairs and Emergency Preparedness Committee of the Senate, or their designees, who shall serve ex officio and in an advisory role.

(iii) The chairperson and minority chairperson of the Veterans Affairs and Emergency Preparedness Committee of the House of Representatives, or their designees, who shall serve ex officio and in an advisory role.

(iv) Two members of the commission recommended by the chairperson of the commission and appointed by the Governor.

(v) One member recommended by the Adjutant General from each of the PA VETConnect Program regions or any successor regions and appointed by the Governor.

(5) Except as provided under this paragraph, members appointed by the Governor to the board shall serve a term of four years and until a successor has been appointed. The initial members appointed by the Governor to the board shall serve terms as follows as determined by the Governor:

(i) Two members shall serve a term of one year.

(ii) Two members shall serve a term of two years.

(iii) Two members shall serve a term of three years.

(iv) One member shall serve a term of four years.

(6) Upon recommendation from the Adjutant General, the Governor may remove a member appointed by the Governor to the board if the member fails to attend three consecutive meetings of the board without good cause. The Governor shall fill the vacancy created under this paragraph for the remainder of the unexpired term.

(7) The board shall annually elect a chairperson and vice chairperson at the first meeting commencing no later than March 31, 2027. The department shall designate an executive secretary to the board.

(8) Members of the board shall receive no compensation for their services but shall receive reimbursement for their necessary and proper expenses incurred in executing their duties as members of the board.

(9) The board shall meet upon the call of the chairperson or the Deputy Adjutant General of Veterans' Affairs. Four members of the board shall constitute a quorum.

(10) Except for the Deputy Adjutant General for Veterans' Affairs, members of the board may not be current employees of the department.

(b) Audit.--By July 31, 2028, and every three years thereafter, the Auditor General shall submit a performance audit of the fund to the chairperson and minority chairperson of the Veterans Affairs and Emergency Preparedness Committee of the Senate and the chairperson and minority chairperson of the Veterans Affairs and Emergency Preparedness Committee of the House of Representatives. The performance audit shall be conducted in accordance with generally accepted government auditing standards and examine the impacts on veterans by organizations funded through the fund.

(c) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Board." The Veterans' Trust Fund Board established under subsection (a).

"Department." The Department of Military and Veterans Affairs of the Commonwealth.

"Fund." The Veterans' Trust Fund established under section 1701-A.1.

Section 16. Sections 1712-A.1(a)(2)(ii) and 1713-A.1(b)(1.8) introductory paragraph and (ii)(B)(II)(d) and (1.9) of the act, amended November 12, 2025 (P.L.156, No.45), are amended to read:

Section 1712-A.1. Establishment of special fund and account.

(a) Tobacco Settlement Fund.--

* * *

(2) The following shall be deposited into the Tobacco Settlement Fund:

* * *

(ii) For fiscal years 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025 [and], 2025-2026 and 2026-2027, an amount equal to the annual debt service due in the fiscal year as certified by the Secretary of the Budget pursuant to section 2804 of the Tax Reform Code of 1971, as published in the Pennsylvania Bulletin on March 3, 2018, at 48 Pa.B. 1406, shall be transferred to the fund from the taxes collected under Article XII of the Tax Reform Code of 1971 by April 30 following the beginning of the fiscal year. A deposit under this paragraph shall occur prior to the deposits and transfers under section 1296 of the Tax Reform Code of 1971.

* * *

Section 1713-A.1. Use of fund.

* * *

(b) Appropriations.--The following shall apply:

* * *

(1.8) For fiscal years 2021-2022, 2022-2023, 2023-2024, 2024-2025 [and], 2025-2026 and 2026-2027, the General Assembly shall appropriate money in the fund in accordance with the following percentages based on the sum of the portion of the annual payment deposited and the amount deposited under section 1712-A.1(a)(2)(ii) in the fiscal year:

* * *

(ii) Twelve and six-tenths percent to be allocated as follows:

* * *

(B) Thirty percent as follows:

* * *

(II) From the amount remaining after the amount under subclause (I) has been determined and notwithstanding any provisions of Chapter 9 of the Tobacco Settlement Act to the contrary:

* * *

[(d) Money appropriated for Amyotrophic Lateral Sclerosis Support Services shall be distributed to grantees in the same proportion as distributed in fiscal year 2024-2025.]

* * *

(1.9) In addition to the grant period provided for in section 904 of the Tobacco Settlement Act, if requested by the grant awardee, the department [may] shall approve a one year extension for [each pediatric cancer] a research grant awarded [prior to fiscal year 2025-2026] under Chapter 9 of the Tobacco Settlement Act.

* * *

Section 17. Section 1723-A.1(a)(3) of the act is amended by adding a subparagraph to read:

Section 1723-A.1. Distributions from Pennsylvania Race Horse Development Fund.

(a) Distributions.--Funds in the fund are appropriated to the department on a continuing basis for the purposes set forth in this subsection and shall be distributed to each active and operating Category 1 licensee conducting live racing as follows:

* * *

(3) The following shall apply:

* * *

(xi) For fiscal year 2026-2027, the department shall transfer $16,305,000 from the fund to the State Racing Fund under subsection (b).

* * *

Section 18. Section 1742-A.2(a) of the act is amended by adding a paragraph to read:

Section 1742-A.2. Deposits.

(a) Deposits.--From the contributions paid under section 301.4 of the Unemployment Compensation Law, the following amounts shall be deposited into the fund:

* * *

(4) For the fiscal year beginning July 1, 2026, the amount to be deposited into the fund under this subsection shall be $115,600,000.

* * *

Section 19. Article XVII-A.2 of the act is amended by adding a subarticle to read:

SUBARTICLE G

PROFESSIONAL LICENSURE AUGMENTATION ACCOUNT

Section 1761-A.2. Department of State.

(a) Use of funds in the Professional Licensure Augmentation Account under the State Board of Medicine.--

(1) Money appropriated from the Professional Licensure Augmentation Account to the State Board of Medicine shall include sufficient money to issue licenses and certifications

to individuals who apply for and meet the qualifications of a licensed nurse-midwife or certified midwife under the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985.

(2) Money appropriated from the Professional Licensure Augmentation Account to the State Board of Medicine may not be used to issue licenses or certificates to individuals under the former act of April 4, 1929 (P.L.160, No.155), referred to as the Midwife Regulation Law.

(b) (Reserved).

Section 20. Section 1712-E(a)(8) and (f)(2) of the act, amended or added November 12, 2025 (P.L.156, No.45), are amended and subsection (f) is amended by adding a paragraph to read:

Section 1712-E. Executive Offices.

(a) Appropriations.--The following shall apply to appropriations for the Executive Offices:

* * *

(8) Any uncommitted money available to the Pennsylvania Commission on Crime and Delinquency under section 902(c)(4) of the Medical Marijuana Act [through the 2025-2026 fiscal year shall] may be transferred to the Crime Victim Services and Compensation Fund.

* * *

(f) Enterprise and Technology Restricted Account.--

* * *

(1.2) For fiscal year 2026-2027, no later than 60 days after the effective date of this paragraph, the Secretary of the Budget shall transfer $96,838,000 to the account from money appropriated to agencies under the Governor's jurisdiction for operating expenses for fiscal year 2025-2026 and prior fiscal years, which remains unexpended, unencumbered or uncommitted. Money in the account is appropriated on a continuing basis as follows:

(i) $60,000,000 for the Enterprise Systems Lifecycle project in the Office of the Budget.

(ii) $3,700,000 for the Commonwealth Office of Digital Experience in the Office of Administration.

(iii) $10,000,000 for enhanced enterprise cybersecurity projects in the Office of Administration.

(iv) $16,138,000 for the Space Optimization and Utilization Improvement project in the Department of General Services.

(v) $7,000,000 for SNAP/EBT chip cards in the Department of Human Services.

(2) No later than 10 days before the transfer under paragraphs (1) [and], (1.1) and (1.2), the Secretary of the Budget shall provide a list of appropriations and the amounts transferred to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives.

Section 21. Section 1718-E(a)(4)(iv) of the act, added July 11, 2024 (P.L.550, No.54), is amended, the paragraph is amended by adding a subparagraph and the section is amended by adding a subsection to read:

Section 1718-E. Department of Agriculture.

(a) Appropriations.--The following shall apply to appropriations for the Department of Agriculture:

* * *

(4) Notwithstanding any other provision of law, from remaining money allocated for highly pathogenic avian influenza prior to fiscal year 2024-2025, the following shall apply:

* * *

(iv) [Money] Except as provided under subparagraph (v), money appropriated for the purpose of making highly pathogenic avian influenza indemnity payments shall not be reallocated under this paragraph.

(v) In the 2026-2027 fiscal year, the department shall allocate amounts from the available money for the establishment and operation of outreach and education programs, including to live bird markets, to assist with the development and implementation of biosecurity plans, emergency response planning and best management practices to prepare for and mitigate highly pathogenic avian influenza as follows:

(A) An amount not to exceed $2,000,000 to agricultural centers of excellence supported by the department.

(B) An amount not to exceed $3,000,000 to a land-grant university in this Commonwealth.

* * *

(c) Agriculture lending.--Notwithstanding 12 Pa.C.S. § 2306(c)(1)(i) (relating to capital development loans), a loan approved by the Pennsylvania Industrial Development Authority under 12 Pa.C.S. § 2306(c)(1)(i) for land, buildings and machinery and equipment may not exceed the lesser of $2,000,000 or 50% of the total capital development project costs.

Section 22. Section 1721-E(b) of the act is amended and the section is amended by adding a subsection to read:

Section 1721-E. Department of Corrections.

* * *

(b) [(Reserved).] Appropriations to the Pennsylvania Parole Board.--The following shall apply to funds appropriated for the Pennsylvania Parole Board:

(1) Members of the board who receive compensation from the funds appropriated to the Pennsylvania Parole Board shall not hold any other public office.

(2) Members of the board who receive compensation from the funds appropriated to the Pennsylvania Parole Board may not engage in any business, profession or employment during their terms of services as a member unless the member

receives prior approval from the Office of General Counsel that the business, profession or employment:

(i) Is not incompatible with the member's official duties.

(ii) Does not create a conflict of interest with the member's official duties.

(c) Member vacancies.--

(1) Notwithstanding 61 Pa.C.S. § 6111(b) (relating to Pennsylvania Parole Board), a member of the board whose term has expired may only serve six months beyond the expiration of the member's appointed term.

(2) Notwithstanding 61 Pa.C.S. § 6111(c), the Governor shall nominate a person to fill a vacancy on the Pennsylvania Parole Board not later than six months after the date the vacancy first occurred.

Section 22.1. Section 1727-E of the act is amended by adding a subsection to read:

Section 1727-E. Department of Labor and Industry.

* * *

(d) Bureau of Occupational and Industrial Safety.--

(1) From money collected by the Department of Labor and Industry under section 613-A(a) of the Administrative Code of 1929, the following amounts shall augment appropriations made to the Bureau of Occupational and Industrial Safety in a general appropriations act:

(i) for the fiscal year beginning July 1, 2026, and each fiscal year thereafter, $1,500,000.

(ii) (Reserved).

(2) The amounts made available to augment the appropriations for the Bureau of Occupational and Industrial Safety under paragraph (1) shall be in addition to amounts made available under section 2219 of the Administrative Code of 1929.

Section 22.2. Section 1732-E of the act is amended to read:

Section 1732-E. Department of Transportation [(Reserved)].

The following shall apply to appropriations for the Department of Transportation:

(1) From money appropriated for traffic signals under 75 Pa.C.S. § 9511(e.1) (relating to allocation of proceeds), $5,000,000 shall be used by the department to provide grants to municipalities to install and maintain traffic signal technologies at traffic control signals that will be connected to a central location using the Commonwealth communications network. Municipalities shall not be required to provide matching funds as a condition of receiving a grant under this paragraph. The following traffic signal technologies shall be eligible for a grant under this paragraph:

(i) A system that synchronizes and times traffic signals.

(ii) Adaptive signal control technology that utilizes sensors to monitor traffic flow, vehicle delay and queues in order to optimize the timing plan of the traffic signal in real time.

(iii) Controller, detection and communication technology to support traffic signal timing and synchronization updates using automated traffic signal performance measures.

(iv) Controller and communication technology to support unified command and control.

(2) (Reserved).

Section 23. The act is amended by adding a section to read:

Section 1735-E. Pennsylvania Emergency Management Agency.

The following shall apply to appropriations for the Pennsylvania Emergency Management Agency:

(1) Money appropriated for State disaster assistance shall be used to provide disaster recovery assistance for emergencies and declared disasters. Amounts under this paragraph shall be used as follows:

(i) Registration and disaster case management for impacted individuals, temporary housing for individuals, repair of residential property and immediate serious-needs assistance after an emergency or declared disaster. One-time serious-needs payments may be made to eligible households per disaster upon a verified damage assessment and in compliance with eligibility rules issued by the agency. A household shall not be eligible under this subparagraph if the household received compensation from insurance or another funding source.

(ii) Assistance to county and municipal governments to restore public infrastructure to predisaster condition, remove debris and take emergency protective measures that are not compensated by insurance or another funding source in compliance with eligibility rules issued by the Pennsylvania Emergency Management Agency.

(iii) Administrative costs of the Pennsylvania Emergency Management Agency directly related to administering this paragraph in an amount not more than 2% of the appropriation.

(2) The Pennsylvania Emergency Management Agency shall develop guidelines to implement paragraph (1) and submit the guidelines to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

(3) Paragraph (1) shall apply to all money appropriated prior to the 2026-2027 fiscal year and each fiscal year thereafter.

(4) Assistance to fire companies and EMS companies shall be as follows:

(i) Notwithstanding 35 Pa.C.S. § 7364(a)(1) (relating to assistance to fire companies and EMS companies), the amount of a loan for establishing or modernizing facilities made to any one fire company or EMS company may not exceed 50% of the total cost of facilities or modernization or $750,000, whichever is less.

(ii) Notwithstanding 35 Pa.C.S. § 7364(a)(2), and subject to paragraph (3), the amount of a loan made for purchasing firefighting apparatus to any one fire company may not exceed $375,000 for a single firefighting apparatus equipment or utility or special service vehicle or heavy duty rescue vehicle as defined by regulation or guideline of the Office of the State Fire Commissioner or 50% of the total cost of the equipment or vehicle, whichever is less.

(iii) A loan for firefighting aerial apparatus as defined by regulation or guideline of the agency may not exceed $750,000.

(iv) The amount of a loan made to any one fire company or EMS company for any ambulance or light duty rescue vehicle as defined by regulation or guideline of the agency may not exceed $200,000 and, for a watercraft rescue vehicle, may not exceed $75,000 or 50% of the cost of the ambulance or rescue vehicle, whichever is less.

(v) Protective equipment obtained through loans under 35 Pa.C.S. § 7364 must meet standards adopted by the State Fire Commissioner to ensure that the protective equipment does not contain perfluoroalkyl and polyfluoroalkyl substances.

(vi) Notwithstanding 35 Pa.C.S. § 7364(a)(3), a notarized financial statement must be filed and a loan under this subchapter for the purchase of protective, accessory or communicative equipment may not exceed $75,000.

(vii) Notwithstanding 35 Pa.C.S. § 7364(a)(5), a loan for repair or rehabilitation of a single apparatus equipment that no longer meets the standards of the National Fire Protection Association and the repair or rehabilitation of which will bring the equipment into compliance with the standards shall be for at least $3,000 and may not exceed the lesser of $150,000 or 80% of the total cost of repair or rehabilitation.

(viii) Notwithstanding 35 Pa.C.S. § 7364(a)(6), a loan for the purchase of used single firefighting apparatus or equipment, used ambulances, used rescue vehicle, used communications equipment, used accessory equipment or used protective equipment, except for a used vehicle and equipment, that meets the standards of the National Fire Protection Association may not exceed $300,000 or 80% of the total cost of the equipment, whichever is less.

(ix) Notwithstanding 35 Pa.C.S. § 7364(b), a loan made by the Office of the State Fire Commissioner in:

(A) the amount of $50,000 or less shall be for a period of not more than 10 years;

(B) the amount of $50,000 but not in excess of $300,000 shall be for a period of not more than 20 years; and

(C) excess of $300,000 may not exceed 30 years.

(x) Beginning January 1, 2028, and continuing each January 1 thereafter, all loan limits specified under this paragraph shall increase at the rate of inflation as outlined in the Consumer Price Index for All Urban Consumers for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD area for the most recent 12-month period for which the figures have been reported by the United States Department of Labor, Bureau of Labor Statistics. If the rate of inflation does not increase, all loan limits shall remain the same as for the previous year. The Office of the State Fire Commissioner shall transmit notice of loan limit increases to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

Section 24. Section 1753.2-E(b.1) of the act, amended November 12, 2025 (P.L.156, No.45), is amended and subsection (h) is amended by adding a paragraph to read:

Section 1753.2-E. Commonwealth Financing Authority.

* * *

(b.1) Solar for schools eligibility.--

(1) Beginning in fiscal year 2024-2025, a project approved by the department under the Solar for Schools Grant Program shall be an eligible project. The board shall approve funding from funds available for the Solar for Schools Grant Program. The Department of Community and Economic Development shall use up to 3% of the money available for the Solar for Schools Grant Program to pay direct administrative costs, including providing technical assistance to eligible applicants.

(2) The following shall apply:

(i) Notwithstanding section 2 of the act of July 17, 2024 (P.L.813, No.68), known as the Solar for Schools Act, the term "eligible project costs" shall include costs related to a power purchase agreement and technical assistance provided by third-party entities.

(ii) Notwithstanding section 2 of the Solar for Schools Act, the term "school facility" shall include support buildings, including bus garages and district offices, owned by an eligible applicant.

(iii) Notwithstanding section 3(g) of the Solar for Schools Act, an eligible applicant may receive a grant of up to 75% of the eligible project costs for the solar energy project.

(iv) Notwithstanding section 3(i)(1) of the Solar for Schools Act, after an application period has been open for six months, the geographic dispersal requirement shall not apply and the department may allocate funds on a first-come, first-served basis to eligible applicants.

* * *

(h) Funding.--

* * *

(6) From money transferred to the authority in fiscal year 2026-2027 for transfer to Public School Facility Improvement Grant Program - Commonwealth Financing Authority:

(i) $100,000,000 shall be used in addition to the money appropriated in fiscal year 2025-2026 to make awards from applications received during the 2025-2026 fiscal year. The authority shall provide a supplemental application period of at least 10 days during which a school entity may submit additional applications; and

(ii) $25,000,000 shall be used to fund projects recommended by the department under subsection (b.1).

* * *

Section 25. Section 1798.1-E(b)(1) and (2) introductory paragraph and (g)(2) and (3) of the act, amended November 12, 2025 (P.L.156, No.45), are amended and the subsections are amended by adding paragraphs to read:

Section 1798.1-E. Federal and Commonwealth use of forest land.

* * *

(b) Charge.--Except as provided under subsection (g), the following shall apply:

(1) For land owned by the Department of Conservation and Natural Resources, subject to subsection (c), real property under subsection (a) shall be subject to an annual charge of all of the following:

(i) Three dollars per acre for the benefit of each county where the real property is located[. One dollar and twenty cents shall be paid by the Department of Conservation and Natural Resources and $1.80], which shall be paid from money available under 4 Pa.C.S. § 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

(ii) Three dollars per acre for the benefit of the schools in each school district where the real property is located[. One dollar and twenty cents shall be paid by the Department of Conservation and Natural Resources and $1.80], which shall be paid from money available under 4 Pa.C.S. § 1403.

(iii) Three dollars per acre for the benefit of the township where the real property is located[. One dollar and twenty cents shall be paid by the Department of Conservation and Natural Resources and $1.80], which shall be paid from money available under 4 Pa.C.S. § 1403.

(2) For land owned by [the Pennsylvania Game Commission or] the Pennsylvania Fish and Boat Commission, real property

under subsection (a) shall be subject to an annual charge of all of the following:

* * *

(2.1) For land owned by the Pennsylvania Game Commission, real property under subsection (a) shall be subject to an annual charge of all of the following:

(i) Three dollars per acre for the benefit of each county where the real property is located, which shall be paid from money available in the Game Fund under 34 Pa.C.S. § 521 (relating to establishment and use of Game Fund).

(ii) Three dollars per acre for the benefit of the schools in each school district where the real property is located, which shall be paid from money available in the Game Fund under 34 Pa.C.S. § 521.

(iii) Three dollars per acre for the benefit of the township where the real property is located, which shall be paid from money available in the Game Fund under 34 Pa.C.S. § 521.

* * *

(g) Adjustments based on Consumer Price Index.--Beginning in fiscal year 2030-2031, and every five years thereafter, the Secretary of the Budget shall increase the amounts of the payments under subsection (b) by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area between July 1 of the fiscal year in which the amounts last went into effect and July 1 of the fiscal year in which the next increases will take effect. The increases shall take effect on July 1 of the first year of each five-year period. The secretary shall determine the percentage increase and the new amounts based on the most recently reported Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area by the United States Department of Labor, Bureau of Labor Statistics and shall transmit notice of the percentage increase and new amounts to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin no later than August 31 of each fiscal year in which the increases take effect. When determining the increases and amount, the secretary shall take the following into account:

* * *

(2) Payment of the increased amounts shall be allocated [equally between the funding available to the agency for the payments under subsection (b)(1) and] from the funding available under 4 Pa.C.S. § 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

(3) Payment of the increased amounts shall be allocated between the funding available to the [agencies] Pennsylvania Fish and Boat Commission under subsection (b)(2) and the funding available under 4 Pa.C.S. § 1403 in the same

proportions as specified in subsection (b)(2).

(4) The increased amounts for the payments under subsection (b)(2.1) shall be payable from money available to the Pennsylvania Game Commission in the Game Fund under 34 Pa.C.S. § 521.

Section 26. Section 1798.3-E(d) of the act, amended November 12, 2025 (P.L.156, No.45), is amended to read:

Section 1798.3-E. Multimodal Transportation Fund.

* * *

(d) Expiration.--This section shall expire December 31, [2026] 2027.

Section 27. Section 1798.5-E of the act, added July 11, 2024 (P.L.550, No.54), is amended to read:

Section 1798.5-E. School Safety and Security Fund.

Section 1795.2-E shall not apply to fiscal years 2024-2025 [and], 2025-2026, 2026-2027, 2027-2028 and 2028-2029.

Section 28. Section 1799-E of the act is amended by adding a subsection to read:

Section 1799-E. State Gaming Fund.

* * *

(h) Appropriation.--Notwithstanding 4 Pa.C.S. § 1408, the General Assembly may appropriate in a general appropriation any unexpended, unencumbered or uncommitted funds in the State Gaming Fund.

Section 29. Sections 1799.7-E and 1799.8-E of the act are amended to read:

Section 1799.7-E. State Employees' Retirement System [Restricted Account].

(a) Authority.--Notwithstanding any other law to the contrary, the State Employees' Retirement Board shall receive, as part of the amounts transferred to the board, an amount of $5,269,000 to be placed in a restricted account for use by the board.

(b) Use of funds.--The funds shall only be expended for the purpose of paying the administrative expenses of the board to establish and implement the State Employees' Defined Contribution Plan established under 71 Pa.C.S. Ch. 58 (relating to State employees' defined contribution plan).

(c) Nature of funds.--No funds may be transferred under subsection (a) that are otherwise required to be transferred to the board for any other purpose required by law.

(d) Annual stress test of system.--Notwithstanding 71 Pa.C.S. § 5909 (relating to stress test of system):

(1) The State Employees' Retirement Board shall, as required under 71 Pa.C.S. § 5909(a), conduct the annual stress test of the State Employees' Retirement System and submit the results of the stress test no later than October 1 of each year.

(2) The Independent Fiscal Office shall produce the report required under 71 Pa.C.S. § 5909(b) no later than December 1 of each year.

Section 1799.8-E. Public School Employees' Retirement System [Restricted Account].

(a) Authority.--From the amounts appropriated but unexpended for school employees' retirement for fiscal years prior to fiscal year 2017-2018, the sum of $6,801,000 shall be transferred to the Public School Employees' Retirement System and placed in a restricted account for use by the board.

(b) Use of funds.--The funds transferred under subsection (a) shall only be used for the purpose of paying the administrative expenses of the board to establish and implement the Public School Employees' Defined Contribution Plan established under 24 Pa.C.S. Ch. 84 (relating to school employees' defined contribution plan).

(c) Nature of funds.--No funds may be transferred under subsection (a) that are otherwise required to be transferred to the board for any other purpose required by law.

(d) Annual stress test of system.--Notwithstanding 24 Pa.C.S. § 8510 (relating to stress test of system):

(1) The Public School Employees' Retirement Board shall, as required under 24 Pa.C.S. § 8510(a), conduct the annual stress test of the Public School Employees' Retirement System and submit the results of the stress test no later than April 1 of each year.

(2) The Independent Fiscal Office shall produce the report required under 24 Pa.C.S. § 8510(b) no later than June 1 of each year.

Section 29.1. The act is amended by adding sections to read:

Section 1703-N. 2026 special ad hoc municipal police and firefighter postretirement adjustment.

(a) Entitlement.--A municipal retirement system shall pay a retired police officer or firefighter a special ad hoc postretirement adjustment under this section if all of the following apply:

(1) The retiree terminated active employment with a municipality as a police officer or firefighter.

(2) The retiree receives a retirement benefit from a municipal retirement system on the basis of active employment with the municipality as a police officer or firefighter.

(3) The retiree began receiving the retirement benefit before January 1, 2021.

(4) The retiree has not filed a written notice with the municipal retirement system requesting that the additional monthly postretirement adjustment not be paid.

(b) Amount.--

(1) Except as provided under paragraphs (2) and (3), a municipal retirement system shall pay a retired police officer or firefighter a monthly special ad hoc postretirement adjustment under subsection (a) in any of the following amounts:

(i) $75 per month if, on January 1, 2026, the retiree has been retired at least five years but less than 10 years.

(ii) $150 per month if, on January 1, 2026, the retiree has been retired at least 10 years but less than 20 years.

(iii) $300 per month if, on January 1, 2026, the retiree has been retired at least 20 years.

(2) If a retiree is entitled to receive a special ad hoc postretirement adjustment under subsection (a) from more than one municipal retirement system, each municipal retirement system shall reduce the amount of the special ad hoc postretirement adjustment under paragraph (1) so that the aggregate amount of all special ad hoc postretirement adjustments paid to the retiree does not exceed the amount specified under paragraph (1).

(3) The amount of the special ad hoc postretirement adjustment under paragraph (1) shall be reduced each year by 65% of the total amount of a postretirement adjustment provided to the retiree under the municipal retirement system after December 31, 2001, and before January 1, 2026, and paid in the immediately preceding year.

(c) Payment.--A municipal retirement system shall begin paying the special ad hoc postretirement adjustment under subsection (a) with the first retirement benefit payment made on or after August 1, 2026. If the municipal retirement system does not include the special ad hoc postretirement adjustment in the first retirement benefit payment made on or after August 1, 2026, the municipal retirement system shall include the special ad hoc postretirement adjustment as soon as practicable in a subsequent retirement benefit payment to the retiree. The first retirement benefit payment that includes the special ad hoc postretirement adjustment shall also include the aggregate amount of special ad hoc postretirement adjustments omitted from retirement benefit payments made on or after August 1, 2026.

(d) Municipal certification.--To receive reimbursement under subsection (e), a municipality shall certify to the Auditor General, by April 1 of each year in which reimbursement will be made, the municipality's annual amortization cost for the prior year attributable to the special ad hoc postretirement adjustment required under subsection (a). The municipality shall make the certification in the form and manner required by the Auditor General.

(e) Reimbursement.--From money available in the account, the Auditor General shall reimburse a municipality for the annual amortization cost of the increase in unfunded actuarial accrued liability attributable to the special ad hoc postretirement adjustment required under subsection (a), amortized over a period of 10 years.

(f) Auditor General certification.--By June 1 of each year in which a municipality is eligible to receive reimbursement under subsection (e), the Auditor General shall certify to the Department of Revenue and the State Treasurer the total amount of reimbursements for eligible municipalities for the year.

(g) Account.--The 2026 Special Ad Hoc Postretirement Adjustment Account is established as a restricted account within the Municipal Pension Aid Fund. Money in the account is appropriated to the Department of the Auditor General on a continuing basis to reimburse municipalities under subsection (e).

(h) Cash flow shortage.--The Auditor General may use money available in the Municipal Pension Aid Fund to address an acute cash flow shortage of a municipality if the Auditor General determines that the shortage is directly attributable to any of the following:

(1) The payment of the special ad hoc postretirement adjustment required under subsection (a).

(2) The reimbursement method under subsection (e).

(i) Reconciliation.--The Auditor General shall reconcile money made available to a municipality under subsection (h) against subsequent reimbursement to the municipality under subsection (e).

(j) Calculation of aid.--A cost attributable to the special ad hoc postretirement adjustment required under subsection (a) that is reimbursable under subsection (e) may not be included for the purpose of allocating aid under the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act.

(k) Exclusion from income.--A postretirement adjustment provided under this section shall be excluded from income for eligibility determinations for State benefits and programs unless otherwise prohibited by Federal or State law.

(l) Municipal receipt of payment.--Upon receipt of the reimbursement payment from the Commonwealth under subsection (e), the treasurer of the municipality shall deposit the reimbursement payment into the municipality's general fund.

(m) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Account." The 2026 Special Ad Hoc Postretirement Adjustment Account established under subsection (g).

"Act 147." The act of December 14, 1988 (P.L.1192, No.147), known as the Special Ad Hoc Municipal Police and Firefighter Postretirement Adjustment Act.

"Active employment." The situation of an individual, other than an independent contractor, who performs for compensation regular services for a municipality and who is regularly entered on the payroll of the municipality.

"Firefighter." A municipal employee who holds a full-time position in the firefighting service of a municipality and has retirement coverage provided by a retirement system.

"Municipality." A borough, city, county of the second class, incorporated town or township, however constituted, whether operating under a legislative charter; a municipal code; an optional charter adopted under the act of July 15, 1957 (P.L.901, No.399), known as the Optional Third Class City Charter Law; a home rule charter or an optional plan adopted under the former act of April 13, 1972 (P.L.184, No.62), known as the Home Rule Charter and Optional Plans Law; or other arrangement; or an association of these municipalities cooperating under the former act of July 12, 1972 (P.L.762, No.180), referred to as the Intergovernmental Cooperation Law.

"Police officer." A municipal employee who holds a full-time position in the police service of a municipality and has retirement coverage provided by a retirement system.

"Postretirement adjustment." An increase in or change in the amount of a retirement annuity, retirement benefit, service pension or disability pension benefit granted or effective after active employment ceases.

"Public employee retirement system." An entity, whether a separate entity or part of a governmental entity, that collects retirement and other employee benefit contributions from government employees and employers; holds and manages the resulting assets as reserves for present and future retirement annuity, retirement benefit, service pension or disability pension benefit payments; and makes provision for these payments to qualified retirees and beneficiaries.

"Retirement benefit." The amount paid on a regular basis to a retired or disabled police officer or firefighter by a municipal retirement system established for police officers or firefighters.

"Retirement system." A public employee retirement system.

"Special ad hoc adjustment" or "special ad hoc postretirement adjustment." An increase in the amount of a retirement benefit as provided under Act 147 and this section.

Section 1704-N. Supplemental annuities for public school employees commencing 2026.

(a) Benefits.--Commencing with the first monthly annuity payment on or after July 1, 2026, an eligible benefit recipient shall be entitled to receive an additional monthly supplemental annuity from the Public School Employees' Retirement System. The additional monthly supplemental annuity under this section shall be in addition to the supplemental annuities provided for under 24 Pa.C.S. §§ 8348 (relating to supplemental annuities), 8348.1 (relating to additional supplemental annuities), 8348.2 (relating to further additional supplemental annuities), 8348.3 (relating to supplemental annuities commencing 1994), 8348.4 (relating to special supplemental postretirement adjustment), 8348.5 (relating to supplemental annuities commencing 1998), 8348.6 (relating to supplemental annuities commencing 2002) and 8348.7 (relating to supplemental annuities commencing 2003).

(b) Amount of additional supplemental annuity.--The amount of the supplemental annuity payable under this section shall be a percentage of the amount of the monthly annuity payment on July 1, 2026, determined on the basis of the most recent effective date of retirement as follows:

Most recent effective date of retirement	Percentage factor
July 2, 2000, through July 1, 2001	15%
July 2, 1999, through July 1, 2000	15.5%
July 2, 1998, through July 1, 1999	16%
July 2, 1997, through July 1, 1998	16.5%
July 2, 1996, through July 1, 1997	17%
July 2, 1995, through July 1, 1996	17.5%
July 2, 1994, through July 1, 1995	18%
July 2, 1993, through July 1, 1994	18.5%
July 2, 1992, through July 1, 1993	19%
July 2, 1991, through July 1, 1992	19.5%
July 2, 1990, through July 1, 1991	20%
July 2, 1989, through July 1, 1990	20.5%
July 2, 1988, through July 1, 1989	21%
July 2, 1987, through July 1, 1988	21.5%
July 2, 1986, through July 1, 1987	22%
July 2, 1985, through July 1, 1986	22.5%
July 2, 1984, through July 1, 1985	23%
July 2, 1983, through July 1, 1984	23.5%
July 2, 1982, through July 1, 1983	24%
Prior to July 2, 1982	24.5%

(c) Payment.--The supplemental annuity provided under this section shall be paid automatically unless the annuitant files a written notice with the board requesting that the additional monthly supplemental annuity not be paid. The board shall make the initial payment of the supplemental annuity provided under this section and any retroactive payments due under this section to each eligible benefit recipient as soon as administratively feasible.

(d) Conditions.--The supplemental annuity provided under this section shall be payable under the same terms and conditions as provided under the option plan in effect as of July 1, 2026, and shall be subject to any subsequent modification of that option plan.

(e) Benefits to beneficiaries or survivors.--No supplemental annuity provided under this section shall be payable to the beneficiary or survivor annuitant of a member who dies before July 1, 2026.

(f) Funding.--The increase in the unfunded actuarial accrued liability attributable to the supplemental annuity provided under this section shall be funded in equal dollar annual installments amortized over a period of 10 years beginning in fiscal year 2027-2028 in accordance with the following:

(1) By June 1, 2027, and each June 1 thereafter through 2036, the board shall certify to the Department of Revenue and the State Treasurer the amount of the annual installment to be paid in the subsequent fiscal year.

(2) The board shall use the money paid under section 1706-N(2)(i) to pay the annual installment for the year in

which payment is received.

(3) The board shall not consider the increase in the unfunded actuarial accrued liability attributable to the supplemental annuity provided under this section when setting and accepting an annual employer contribution rate.

(g) Eligible benefit recipient.--

(1) An eligible benefit recipient is an individual:

(i) who is receiving a superannuation, withdrawal or disability annuity on July 1, 2026;

(ii) whose most recent effective date of retirement is prior to July 2, 2001;

(iii) whose credited service does not include any service credited as Class T-D service; and

(iv) who is not a multiple service member with Class D-4 service or Class AA service credited in the State Employees' Retirement System.

(2) A supplemental annuity provided under this section shall not be payable to an annuitant receiving a withdrawal annuity prior to the first day of July coincident with or following the annuitant's attainment of superannuation or normal retirement age.

(h) Exclusion from income.--A supplemental annuity provided under this section shall be excluded from income for eligibility determinations for State benefits and programs unless otherwise prohibited by law.

(i) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Annuitant." As defined in 24 Pa.C.S. § 8102 (relating to definitions).

"Beneficiary." As defined in 24 Pa.C.S. § 8102.

"Board." As defined in 24 Pa.C.S. § 8102.

"Superannuation or normal retirement age." As defined in 24 Pa.C.S. § 8102.

"Survivor annuitant." As defined in 24 Pa.C.S. § 8102.

Section 1705-N. Supplemental annuities for State employees commencing 2026.

(a) Benefits.--Commencing with the first monthly annuity payment on or after July 1, 2026, an eligible benefit recipient shall be entitled to receive an additional monthly supplemental annuity from the State Employees' Retirement System. The additional monthly supplemental annuity under this section shall be in addition to the supplemental annuities provided for under 71 Pa.C.S. §§ 5708 (relating to supplemental annuities), 5708.1 (relating to additional supplemental annuities), 5708.2 (relating to further additional supplemental annuities), 5708.3 (relating to supplemental annuities commencing 1994), 5708.4 (relating to special supplemental postretirement adjustment), 5708.5 (relating to supplemental annuities commencing 1998), 5708.6 (relating to supplemental annuities commencing 2002), 5708.7 (relating to supplemental annuities commencing 2003) and

5708.8 (relating to special supplemental postretirement adjustment of 2002).

(b) Amount of additional supplemental annuity.--The amount of the supplemental annuity under this section shall be a percentage of the amount of the monthly annuity payment on July 1, 2026, determined on the basis of the most recent effective date of retirement as follows:

Most recent effective date of retirement	Percentage factor
July 2, 2000, through July 1, 2001	15%
July 2, 1999, through July 1, 2000	15.5%
July 2, 1998, through July 1, 1999	16%
July 2, 1997, through July 1, 1998	16.5%
July 2, 1996, through July 1, 1997	17%
July 2, 1995, through July 1, 1996	17.5%
July 2, 1994, through July 1, 1995	18%
July 2, 1993, through July 1, 1994	18.5%
July 2, 1992, through July 1, 1993	19%
July 2, 1991, through July 1, 1992	19.5%
July 2, 1990, through July 1, 1991	20%
July 2, 1989, through July 1, 1990	20.5%
July 2, 1988, through July 1, 1989	21%
July 2, 1987, through July 1, 1988	21.5%
July 2, 1986, through July 1, 1987	22%
July 2, 1985, through July 1, 1986	22.5%
July 2, 1984, through July 1, 1985	23%
July 2, 1983, through July 1, 1984	23.5%
July 2, 1982, through July 1, 1983	24%
Prior to July 2, 1982	24.5%

(c) Payment.--The supplemental annuity provided under this section shall be paid automatically unless the annuitant files a written notice with the board requesting that the additional monthly supplemental annuity not be paid. The board shall make the initial payment of the supplemental annuity provided under this section and any retroactive payments due under this section to each eligible benefit recipient as soon as administratively feasible.

(d) Conditions.--The supplemental annuity provided under this section shall be payable under the same terms and conditions as provided under the option plan in effect as of July 1, 2026, and shall be subject to any subsequent modification of that option plan.

(e) Benefits to beneficiaries or survivors.--No supplemental annuity provided under this section shall be payable to the beneficiary or survivor annuitant of a member who dies before July 1, 2026.

(f) Funding.--The increase in the unfunded actuarial accrued liability attributable to the supplemental annuity provided under this section shall be funded in equal dollar annual installments amortized over a period of 10 years beginning in fiscal year 2027-2028 in accordance with the following:

(1) By June 1, 2027, and each June 1 thereafter through 2036, the board shall certify to the Department of Revenue and the State Treasurer the amount of the annual installment to be paid in the subsequent fiscal year.

(2) The board shall use the money paid under section 1706-N(2)(ii) to pay the annual installment for the year in which payment is received.

(3) The board shall not consider the increase in the unfunded actuarial accrued liability attributable to the supplemental annuity provided under this section when setting and accepting an annual employer contribution rate.

(g) Eligible benefit recipient.--

(1) An eligible benefit recipient is an individual:

(i) who is receiving a superannuation, withdrawal or disability annuity on July 1, 2026;

(ii) whose most recent effective date of retirement is prior to July 2, 2001;

(iii) whose credited service does not include any service credited as either Class D-4 service or Class AA service; and

(iv) who is not a multiple service member with Class T-D service credited in the Public School Employees' Retirement System.

(2) A supplemental annuity provided under this section shall not be payable to an annuitant receiving a withdrawal annuity prior to the first day of July coincident with or following the annuitant's attainment of superannuation age.

(h) Exclusion from income.--A supplemental annuity provided under this section shall be excluded from income for eligibility determinations for State benefits and programs unless otherwise prohibited by law.

(i) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Annuitant." As defined in 71 Pa.C.S. § 5102 (relating to definitions).

"Beneficiary." As defined in 71 Pa.C.S. § 5102.

"Board." As defined in 71 Pa.C.S. § 5102.

"Superannuation age." As defined in 71 Pa.C.S. § 5102.

"Survivor annuitant." As defined in 71 Pa.C.S. § 5102.

Section 1706-N. Payment of supplemental annuity and special ad hoc postretirement adjustment.

Notwithstanding 4 Pa.C.S. § 13B52(d)(3) (relating to interactive gaming tax), beginning in fiscal year 2027-2028 and each fiscal year thereafter, the Department of Revenue shall distribute the money that would otherwise be deposited under 4 Pa.C.S. § 13B52(d)(3) in the following order:

(1) First, the Department of Revenue shall deposit into the 2026 Special Ad Hoc Postretirement Adjustment Account established under section 1703-N(g) an amount equal to the amount certified by the Auditor General under section 1703-

N(f).

(2) Second, the Department of Revenue shall take the following actions:

(i) Pay to the Public School Employees' Retirement System the amount of the annual installment certified to the Department of Revenue under section 1704-N(f)(1).

(ii) Pay to the State Employees' Retirement System the amount of the annual installment certified to the Department of Revenue under section 1705-N(f)(1).

(3) Third, the Department of Revenue shall deposit the remaining money into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in this Commonwealth.

Section 29.2. Article XVIII-B of the act is amended by adding a subarticle heading immediately preceding section 1801-B to read:

SUBARTICLE A

ELECTRICITY LOAD FORECASTS

Section 29.3. Sections 1801-B, 1803-B, 1805-B(a) and (b) and 1806-B(a) and (b)(1) of the act, added November 12, 2025 (P.L.156, No.45), are amended to read:

Section 1801-B. Scope of [article] subarticle.

This [article] subarticle relates to electricity load forecasts submitted to PJM.

Section 1803-B. Definitions.

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

"Commission." The Pennsylvania Public Utility Commission.

"Electric distribution company." As defined in 66 Pa.C.S. § 2803 (relating to definitions).

"Load forecast." Information used to estimate future peak demand within a utility service territory that is provided to and utilized by PJM to establish the reliability requirement used in the capacity market. The term does not include short-term or day-ahead forecasts used for market operations.

"PJM." PJM Interconnection, L.L.C., regional transmission organization or its successor.

"Utility." An electric distribution company.

Section 1805-B. Access to confidential contracts and information.

(a) Authority--In order to perform the commission's duties under this [article] subarticle, the commission, including the Bureau of Investigation and Enforcement of the commission, along with the Office of Small Business Advocate and the Office of Consumer Advocate, may review contracts, agreements and commitments between interconnecting customers and utilities that affect load-forecast assumptions.

(b) Production.--Upon request by the commission, a utility shall provide the contracts, agreements or related materials to the commission for the purposes of this [article] subarticle.

* * *

Section 1806-B. Annual report.

(a) Report.--No later than June 30 of each year, the commission shall submit a report to the chairperson and minority chairperson of the Consumer Protection and Professional Licensure Committee of the Senate and the chairperson and minority chairperson of the Consumer Protection, Technology and Utilities Committee of the House of Representatives on the implementation of this [article] subarticle and shall post the report on the commission's publicly accessible Internet website.

(b) Contents.--The report shall describe all of the following:

(1) Actions taken by the commission to implement this [article] subarticle during the prior fiscal year.

* * *

Section 29.4. Article XVIII-B of the act is amended by adding subarticles to read:

SUBARTICLE B

ENERGY AND WATER REPORTING

Section 1811-B. Scope of subarticle.

This subarticle relates to data center energy and water reporting.

Section 1812-B. Definitions.

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

"Commission." The Pennsylvania Public Utility Commission.

"Data center." A facility, campus of facilities or interconnected array of facilities that may be composed of one or more businesses, owners or tenants, that meet all of the following:

(1) Are predominantly used to house working servers or similar data storage systems.

(2) Have a peak electric demand of 10 megawatts or greater.

"Department." The Department of Environmental Protection of the Commonwealth.

"Electric distribution company." As defined under 66 Pa.C.S. § 2803 (relating to definitions).

"Energy consumption." The total amount of electricity or other forms of energy consumed by a data center, measured in kilowatt-hours.

"Facility." One or more parcels of land in this Commonwealth and any structures and personal property contained on the land.

"Water consumption." The total amount of water consumed by a data center, including water used for cooling, measured in gallons.

Section 1813-B. Reporting requirements.

(a) Annual report.--Each data center operating in this Commonwealth shall submit an annual report to the department on the facility's energy consumption and water consumption for the preceding calendar year.

(b) Contents.--The report shall include the following:

(1) The name and address of the facility, including the nature or purpose of the facility.

(2) Total energy consumption for the previous calendar year, specified by month and the energy source consumed.

(3) The estimated average amount of energy usage per hour during the data center's peak load, measured in kilowatt-hours.

(4) Total water consumption for the previous calendar year, along with the maximum day demand, specified by month, water source and whether the consumption was intended for cooling or another application.

(5) Any measures undertaken in the previous calendar year to improve energy or water efficiency and reduce energy consumption or water consumption.

(6) Any measures undertaken to protect the environment and public from polluted water.

(7) Any measures undertaken to generate electricity on site or off site to reduce carbon emissions or impacts on the electric grid, including the specific energy source, and any potential future measures to generate electricity or other form of energy on site or off site.

(8) Any measures undertaken to recover waste heat to power the data center, or to recover waste heat for purposes relating to general building heating, cooling systems or coolant systems specifically for the capture of waste heat from processors.

(9) An estimation of the projected total energy and water demand for the following year, including a comparison of the previous year's total energy consumption and water consumption, if applicable.

(10) Any other information required by the department.

(c) Submission.--By July 1, 2027, and each July 1 thereafter, the annual report shall be submitted in a manner determined by the department.

Section 1814-B. Department duties.

The department, in consultation with the commission, shall publish an annual report on the aggregate energy consumption and water consumption trends for data centers operating in this Commonwealth, including environmental impacts and recommendations to address identified issues. The report shall be made available on the department's publicly accessible Internet website and shall be submitted in paper form or electronically to:

(1) The Governor.

(2) The chairperson and minority chairperson of the Environmental Resources and Energy Committee of the Senate.

(3) The chairperson and minority chairperson of the Energy Committee of the House of Representatives.

(4) The chairperson and minority chairperson of the Environmental and Natural Resource Protection Committee of the House of Representatives.

(5) The chairperson and minority chairperson of the Consumer Protection and Professional Licensure Committee of the Senate.

(6) The chairperson and minority chairperson of the Consumer Protection, Technology and Utilities Committee of the House of Representatives.

Section 1815-B. Data confidentiality.

(a) Proprietary information.--For annual reports submitted under section 1813-B(a), proprietary information shall be exempt from public disclosure.

(b) Public data.--All aggregated and anonymized data shall be made publicly available.

Section 1816-B. Enforcement and penalties.

(a) Violations.--A data center that fails to comply with the reporting requirements under section 1813-B shall be subject to a civil penalty of $10,000 per day until the report is submitted to the department.

(b) Deposit of penalties collected.--Penalties collected under this section shall be deposited into the low-income electric customer assistance program of the electric distribution company for the service territory in which the data center in violation is located.

SUBARTICLE C

ADVANCED TRANSMISSION TECHNOLOGIES

Section 1817-B. 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:

"Commission." The Pennsylvania Public Utility Commission.

Section 1818-B. Advanced transmission technologies.

(a) Applicability.--This section shall apply to each transmission siting application filed with the commission under 52 Pa. Code Ch. 57 Subch. G (relating to commission review of siting and construction of electric transmission lines) and each letter of notification in lieu of application filed with the commission under 52 Pa. Code Ch. 57 (relating to electric service).

(b) Report of evaluation.--An applicant shall provide to the commission a report documenting that the applicant evaluated and assessed the use of advanced transmission technologies for any of the following:

(1) Existing transmission infrastructure.

(2) Proposed transmission infrastructure and upgrades identified in the application or letter of notification, including infrastructure for which the proposed voltage would be increased above existing levels and infrastructure that would be reconductored or reconstructed within the jurisdiction of the commission.

(c) Rebuttable presumption.--If an applicant includes an analysis of advanced transmission technologies, there shall be a rebuttable presumption that the electric distribution company has considered appropriate advanced transmission technologies for the proposed transmission infrastructure.

(d) Notice for colocated infrastructure.--

(1) When the evaluation under subsection (b) includes the use of advanced transmission technology that would increase the energy-carrying capacity of an existing or proposed transmission line, the applicant shall use reasonable efforts to notify all known owners or operators of pipelines or other critical energy infrastructure located within or adjacent to the existing or proposed right-of-way.

(2) Nothing in this subsection shall be construed to relieve any party of obligations under Federal pipeline safety regulations or to require disclosure of proprietary or security-sensitive information.

(e) Conditional approval.--If, upon consideration of record evidence, the commission determines it is in the public interest, the commission may, as a condition of approving an application, and in addition to any other relief granted, order the applicant to integrate advanced transmission technologies to help fully or partially resolve the need identified in the application.

(f) Competitive bids.--For each transmission siting application subject to a competitive bid process, the commission shall give full consideration for the regional benefits identified in the application.

(g) Commission requirements.--No later than one year after the effective date of this subsection, the commission shall adopt regulations, orders or statements of policy specifying the advanced transmission technology assessment requirements and methods that an applicant shall use to satisfy subsection (b).

(h) Construction.--Nothing in this section shall be construed to limit the commission's authority under any other provision of State law to regulate a public utility service or facility.

(i) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Advanced power flow controller." A hardware or software technology that modulates circuit impedance or other electrical properties to reroute power flows.

"Advanced transmission technologies." Any of the following:

(1) Grid-enhancing technologies, including dynamic line rating, advanced power flow controller and topology optimization software.

(2) High-performance conductors.

(3) Any other technology identified by the commission that may avoid the construction of new transmission infrastructure, increase the capacity, efficiency or

reliability of the transmission system, reduce transmission system congestion, reduce environmental impacts or provide other benefits to the transmission system.

"Aluminum conductor steel reinforced conductor." A stranded overhead electrical conductor composed of one or more layers of hard-drawn aluminum wire helically laid around a central core of galvanized or otherwise coated steel strands, designed to provide enhanced tensile strength and electrical conductivity for transmission or distribution applications.

"Dynamic line rating." A system that uses real-time and forecasted weather and operating conditions, including wind speed and direction, to determine the transfer capacity of a transmission line.

"High-performance conductor." A conductor used in an electric transmission system, including a carbon fiber conductor, composite core conductor or superconductor, that has all of the following:

(1) A similar diameter and weight as a traditional aluminum conductor steel reinforced conductor.

(2) A direct electrical resistance that is at least 10% lower than a traditional aluminum conductor steel reinforced conductor of a similar diameter and weight.

(3) An energy-carrying capacity that is at least 75% greater than a traditional aluminum conductor steel reinforced conductor of a similar diameter and weight.

"Topology optimization software." Software that identifies switching configurations to reroute electricity and alleviate transmission constraints.

Section 30. Section 1918 of the act is amended by adding a paragraph to read:

Section 1918. Department of Agriculture.

The following apply to appropriations for the Department of Agriculture:

* * *

(7) From money appropriated for fruit grower disaster support, no less than $10,000,000 shall be used for freeze disaster assistance recovery grants to assist with business continuity for a fruit grower that incurred a loss of an eligible specialty crop because of freeze events. The following apply:

(i) The Department of Agriculture shall award grants to a fruit grower that experienced a loss of at least 30% of expected production for an eligible specialty crop because of the freeze events.

(ii) An applicant for a grant award shall provide all of the following:

(A) Verification of the eligible acreage of each eligible specialty crop in production between April 1, 2026, and April 21, 2026.

(B) A map identifying each parcel on which an eligible specialty crop was produced and the total acreage impacted by the freeze events.

(iii) The Department of Agriculture shall develop a per-acre payment methodology for each eligible specialty crop.

(iv) The Department of Agriculture shall adjust grant awards to reflect the amount of money available under this paragraph. A grant award limitation established by the Department of Agriculture shall apply by Federal employer identification number.

(v) Within 30 days of the effective date of this subparagraph, the Department of Agriculture shall develop guidelines to implement this paragraph and submit the guidelines to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

(vi) As used in this paragraph, the following words and phrases shall have the meanings given to them in this subparagraph unless the context clearly indicates otherwise:

"Eligible specialty crop." A pome fruit, stone fruit, grape or berry grown in this Commonwealth.

"Freeze events." The freeze events that occurred between April 1, 2026, and April 21, 2026.

Section 30.1. Section 1930(11)(v) of the act, added November 12, 2025 (P.L.156, No.45), is amended to read:

Section 1930. Department of Human Services.

The following apply to appropriations for the Department of Human Services:

* * *

(11) From money appropriated for medical assistance long-term living:

* * *

(v) [(Reserved).] An additional $250,000 shall be paid to a medical assistance nursing facility provider located in a township of the first class in a county of the second class A which remains open as of the effective date of this subparagraph with a percentage of medical assistance recipient residents who required medically necessary ventilator care or tracheostomy care equal to or greater than 90% as of August 1, 2022.

* * *

Section 30.2. Section 1938 of the act is amended by adding a paragraph to read:

Section 1938. Pennsylvania Higher Education Assistance Agency.

The following shall apply to appropriations for the Pennsylvania Higher Education Assistance Agency:

* * *

(4) From money appropriated for Matching Payments for Student Aid, $2,500,000 shall be used by the agency for the Nursing Shortage Assistance Program as authorized by Article XVIII-B of the act of March 10, 1949 (P.L.30, No.14), known

as the Public School Code of 1949.

Section 31. The act is amended by adding articles to read:

ARTICLE XIX-B

2026-2027 BUDGET IMPLEMENTATION

SUBARTICLE A

PRELIMINARY PROVISIONS

Section 1901-B. Applicability.

Except as specifically provided in this article, this article applies to the General Appropriation Act of 2026 and all other appropriation acts of 2026.

Section 1902-B. 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:

"General Appropriation Act of 2026." The act of , 2026 (P.L. , No.), known as the General Appropriation Act of 2026.

"Human Services Code." The act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code.

"Public School Code of 1949." The act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

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

"TANFBG." Temporary Assistance for Needy Families Block Grant.

SUBARTICLE B

EXECUTIVE DEPARTMENTS

Section 1911-B. Governor (Reserved).

Section 1912-B. Executive Offices.

The following apply to appropriations for the Executive Offices:

(1) The following apply to money appropriated for the Pennsylvania Commission on Crime and Delinquency:

(i) No less than the amount used in the 2014-2015 fiscal year shall be used to support the Statewide Automated Victim Information and Notification System (SAVIN) to provide offender information through county jails.

(ii) No less than the amount used in the 2014-2015 fiscal year shall be used for a residential treatment community facility for at-risk youth located in a county of the fifth class.

(iii) From the amount appropriated, $400,000 shall be used for an innovative police data sharing pointer index system that will allow participating law enforcement agencies access to incident report data.

(iv) From the amount appropriated, $750,000 shall be used for a diversion program for first-time nonviolent offenders facing prison sentences. The diversion program must include education and employment services, case management and mentoring.

(v) No less than $3,000,000 shall be available as a pilot program to offset costs incurred by a city of the first class and a county of the second class A that is also a home rule county in connection with hiring additional assistant district attorneys designated as a Special United States Attorney by a United States Attorney's office through participation in the Project Safe Neighborhoods program and who will exclusively prosecute crimes under 18 U.S.C. § 922(g) (relating to unlawful acts).

(vi) $500,000 shall be used to support a Statewide child predator unit.

(vii) $500,000 shall be used for training and equipment needs to support improvements in the identification, investigation and prosecution of 18 Pa.C.S. § 6312 (relating to sexual abuse of children).

(viii) No less than $2,600,000 shall be distributed to a nonprofit organization specified in 61 Pa.C.S. § 3512 (relating to definitions), the following shall apply:

(A) The sum of $2,000,000 shall be used to monitor conditions in State and county correctional institutions, including through independent data collection and analysis of conditions and to assist incarcerated individuals with concerns related to their health, safety and dignity.

(B) The sum of $600,000 shall be used to provide transportation to State correctional institutions for families of incarcerated individuals.

(ix) No less than $1,750,000 shall be used for medication substance use disorder treatment for eligible offenders. The Pennsylvania Commission on Crime and Delinquency shall use the money for grants to counties to provide medication-assisted treatment, in combination with comprehensive substance use disorder treatment, to eligible offenders who meet the clinical criteria for an opioid use disorder or an alcohol use disorder, as determined by a physician, while incarcerated and upon release from a county correctional institution. As used in this subparagraph, the term "medication-assisted treatment" means the use of United States Food and Drug Administration-approved medications, together with nonmedication treatment, as clinically indicated, to treat substance use disorders, including opioid use disorders and alcohol use disorders.

(x) No less than $2,500,000 shall be used for the Violent Incident Clearance and Technological Investigative Methods Program established under section 1602-Z.2(a).

(2) From money appropriated for violence and delinquency prevention programs:

(i) No less than the amount used in the 2014-2015 fiscal year shall be used for programs in a city of the second class.

(ii) No less than the amount used in the 2014-2015 fiscal year shall be used for blueprint mentoring programs that address reducing youth violence in cities of the first, second and third class with programs in cities of the second class and third class also receiving a proportional share of $350,000.

(3) From money appropriated for violence intervention and prevention, no less than $11,500,000 shall be used by the School Safety and Security Committee to provide grants for out-of-school programming for at-risk school-age youth. An eligible grantee under this paragraph shall include any school district, area career and technical school, library, Statewide youth-serving nonprofit organization or community-based nonprofit organization that is not a member of a Statewide youth-serving nonprofit. Out-of-school programming under this paragraph shall include structured programs or activities with engaged mentors and evidence-based or evidence-informed practices provided to school-age youth before school, after school or during the summer to improve social, emotional, academic or career-readiness, prevent and reduce teenage pregnancies, reduce negative behaviors, provide safe out-of-school environments, engage in career exploration or formal or informal work-based learning or any other activity approved by the School Safety and Security Committee. Section 1306-B(b), (c), (d), (e), (g.1) and (g.2) of the Public School Code of 1949 shall apply to grants provided under this paragraph.

(4) Money appropriated for county intermediate punishment shall be distributed to counties for county adult probation supervision and drug and alcohol and mental health treatment programs for offenders sentenced to restrictive conditions of probation imposed under 42 Pa.C.S. § 9763(c) or (d) (relating to conditions of probation) and are certified in accordance with 42 Pa.C.S. § 2154.1(b) (relating to adoption of guidelines for restrictive conditions). The portion of money for drug and alcohol and mental health treatment programs shall be based on national statistics that identify the percentage of incarcerated individuals that are in need of treatment for substance issues but in no case shall be less than 80% of the amount appropriated.

(5) From money appropriated to grants to the arts, no less than $1,000,000 shall be used by the Council of the Arts to award grants for multiyear, tiered technical assistance and organizational development services for arts and cultural organizations rooted in and serving historically underserved communities, to strengthen organizational capacity, community engagement, artist development and long-term sustainability. This funding shall supplement and not supplant funds awarded by the Council of the Arts for these purposes in fiscal year

2025-2026.

Section 1912.1-B. Office of the Budget (Reserved).

Section 1913-B. Lieutenant Governor (Reserved).

Section 1914-B. Attorney General.

The following apply to appropriations to the Attorney General:

(1) Up to $1,200,000 is included in the appropriation for general government operations for costs related to the implementation of 74 Pa.C.S. § 1786 (relating to special prosecutor for mass transit).

(2) The sum of $8,431,000 shall be distributed between the Attorney General and the district attorney's office in a city of the first class for costs associated with the operation of the joint local-State firearm task force in the city of the first class. No more than 20% may be allocated for the district attorney's office in a city of the first class.

(3) The sum of $3,508,308 shall be distributed to the Attorney General for costs associated with a joint local-State firearm task force in a city of the first class.

(4) The sum of $1,537,952 shall be used to cover the costs associated with establishing and operating a joint local-State firearm task force in a county of the second class.

(5) The sum of $889,692 shall be distributed to the Attorney General for operating and property costs related to the Joint Task Force as needed.

(6) The Attorney General may expend money from the following restricted accounts for general government operations:

(i) The Criminal Enforcement Restricted Account established under section 1713-A.1.

(ii) The Collection Administration Account established under section 922.1 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(iii) The restricted account established under section 1795.1-E(c)(3)(iii).

(iv) The Straw Purchase Prevention Education Fund established under 18 Pa.C.S. § 6186 (relating to Straw Purchase Prevention Education Fund).

(v) The restricted account established under section 4 of the act of December 4, 1996 (P.L.911, No.147), known as the Telemarketer Registration Act.

(vi) The restricted account known as the Public Protection Law Enforcement Restricted Account.

(vii) The State court awarded asset forfeiture restricted account as established by the Attorney General under 42 Pa.C.S. § 5803 (relating to asset forfeiture).

(7) From money appropriated for general government operations, no less than $35,000 shall be utilized to develop

and implement regional first response and investigative training programs for law enforcement officers who respond to incidents involving online child exploitation, child sexual abuse material generated by artificial intelligence, sextortion, unlawful dissemination of intimate images or other related Internet-facilitated crimes against children.

Section 1915-B. Auditor General (Reserved).

Section 1916-B. Treasury Department (Reserved).

Section 1917-B. Department of Aging (Reserved).

Section 1918-B. Department of Agriculture.

The following apply to appropriations for the Department of Agriculture:

(1) From money appropriated for general government operations, no less than $250,000 shall be used for the Commission for Agricultural Education Excellence to assist in the development and implementation of agricultural education programming.

(2) From money appropriated for agricultural preparedness and response, no less than $6,000,000 shall be used for costs incurred by the Pennsylvania Animal Diagnostic Laboratory System across this Commonwealth in preparing for and responding to an outbreak of highly pathogenic avian influenza.

(3) From money appropriated for agricultural excellence, no less than $1,400,000 shall be used for beef excellence supported programs and initiatives.

(3.1) From money appropriated for the Farmers Market Food Coupons:

(i) $5,000,000 shall be used to reduce food waste and strengthen food access programs.

(ii) $2,000,000 shall be distributed to a nonprofit organization that is headquartered in a city of the first class and has received a grant under 7 U.S.C. § 7517 (relating to the Gus Schumacher nutrition incentive program) to be used for administration and program costs associated with a benefit incentive program for Supplemental Nutrition Assistance Program participants to purchase fruits and vegetables at eligible food retailers.

(4) From money appropriated for agricultural research, the following apply:

(i) No less than $300,000 shall be used for an agricultural resource center.

(ii) No less than $100,000 shall be used for agricultural law research programs, including those addressing energy development, in conjunction with a land-grant university.

(5) From money appropriated for hardwoods research and promotion, at least 80% of the money shall be equally distributed among the hardwood utilization groups of this Commonwealth established prior to the effective date of this

paragraph.

Section 1919-B. Department of Community and Economic Development.

The following apply to appropriations for the Department of Community and Economic Development:

(1) From money appropriated for general government operations, no less than $1,900,000 shall be used to support a manufacturing technology development effort, to assist Pennsylvania small businesses with enhanced cyber security and to test coal ash refuse extraction of rare earth metals for domestic chip manufacturing in a county of the fourth class with a population of at least 130,000, but not more than 135,000, under the most recent Federal decennial census.

(2) From money appropriated for marketing to attract tourists, funds shall include additional allocations to be used to plan, market and conduct a series of arts and cultural activities that generate Statewide and regional economic impact. The sum of $1,000,000 shall be used for regional athletic competitions, activities and costs relating to an annual Statewide competition serving approximately 2,000 athletes with intellectual disabilities from across this Commonwealth to be held in a county of the fourth class.

(3) From money appropriated for Pennsylvania First, no less than $8,000,000 shall be used to fund the Workforce and Economic Development Network of Pennsylvania (WEDnetPA) for workforce training grants provided through an alliance of educational providers, including, but not limited to, State System of Higher Education universities, the Pennsylvania College of Technology and community colleges located in this Commonwealth.

(4) Money appropriated for Keystone Communities shall be used for projects supporting economic growth, community development and municipal assistance throughout this Commonwealth.

(5) Money appropriated for Main Street Matters shall support revitalization and community building efforts, including, but not limited to, planning, business support, aesthetic improvements, disability accessibility improvements and the increase of safety and security. Money appropriated for Main Street Matters may also be used to support the operations of Main Street Program or Elm Street Program as designated by the Department of Community and Economic Development.

(6) Notwithstanding section 4(1) of the act of October 11, 1984 (P.L.906, No.179), known as the Community Development Block Grant Entitlement Program for Nonurban Counties and Certain Other Municipalities, the Commonwealth may use up to 3% of the money received pursuant to the Housing and Community Development Act of 1974 (Public Law 93-383, 88 Stat. 633) for administrative costs.

(7) Money appropriated for local municipal relief shall

include an allocation to provide State assistance to individuals, persons or political subdivisions directly affected by natural or manmade disasters, public safety emergencies, other situations that pose a public safety danger or other situations at the discretion of the department. State assistance may be limited to grants for projects that do not qualify for Federal assistance to help repair damages to primary residences, personal property and public facilities and structures. Grants shall be made available for reimbursement in a disaster emergency area only when a presidential disaster declaration does not cover the area or when the Department of Community and Economic Development determines that a public safety emergency has occurred.

(8) Money appropriated for hospital and health system emergency relief shall include an allocation to provide State assistance for hospital and health care systems that experience financial distress. Money appropriated for hospital and health system emergency relief may also be used to provide funding for research to study rural health and alternative payment methods for rural health care, including data collection and modeling. As used in this paragraph, the term "hospital and health system" shall include a foundation, trust or nonprofit organization affiliated with a hospital or health system, which is authorized by the hospital or health system to apply for grants on behalf of the hospital or health system.

(9) Money appropriated for community and economic assistance shall include an allocation to provide State assistance in the form of grants to assist in community and economic development, including projects in the public interest.

(10) Money appropriated for workforce development shall be distributed in the same proportion as distributed in fiscal year 2022-2023.

(11) Money appropriated for biotechnology research shall include allocations for regenerative medicine research, regenerative medicine medical technology, hepatitis and viral research, drug research and clinical trials related to cancer, genetic and molecular research for disease identification and eradication, vaccine immune response diagnostics, nanotechnology and the commercialization of applied research.

Section 1920-B. Department of Conservation and Natural Resources.

The following apply to appropriations for the Department of Conservation and Natural Resources:

(1) Money appropriated for parks, forests and recreation projects shall be used for grants for projects to enhance parks, forests and recreation activities.

(2) (Reserved).

Section 1921-B. Department of Corrections (Reserved).

Section 1922-B. Department of Drug and Alcohol Programs (Reserved).

Section 1923-B. Department of Education.

The following apply to appropriations to the Department of Education:

(1) From money appropriated for the Pre-K Counts Program, the per-student grant award amount for grants made under section 1514-D of the Public School Code of 1949 shall be increased by 1.163% over the amount paid in fiscal year 2025-2026.

(2) From an appropriation for adult and family literacy programs, summer reading programs and the adult high school diplomas program. The following apply:

(i) No less than the amount allocated in the 2014-2015 fiscal year shall be allocated for an after-school learning program servicing low-income students located in a county of the sixth class with a population, based on the most recent Federal decennial census, of at least 64,730 but not more than 65,558.

(ii) No less than the amount allocated in the 2016-2017 fiscal year shall be used for an after-school learning program servicing low-income students located in a county of the third class with a population, based on the most recent Federal decennial census, of at least 320,000 but not more than 330,000.

(iii) From money appropriated for adult and family literacy, at least $1,050,000 shall be used to administer a program to subsidize the cost of high school equivalency testing that leads to a Commonwealth secondary school diploma credential for individuals who meet requirements established by the Department of Education and to expand the availability of high school equivalency testing opportunities in this Commonwealth.

(3) The appropriation for pupil transportation may not be redirected for any purpose.

(4) For money appropriated for Pennsylvania Chartered Schools for Deaf and Blind Children, the following apply:

(i) Upon distribution of the final tuition payment for the fiscal year, the balance of the appropriation, excluding amounts under subparagraph (ii), shall be used to pay the schools' increased share of required contributions for public school employees' retirement and shall be distributed pro rata based on each school's contributions for the prior fiscal year.

(ii) $1,000,000 is included for capital-related costs and deferred maintenance to be divided equally between each school.

(5) The amount of money set aside under section 2509.8 of the Public School Code of 1949 shall be allocated to each approved private school with a day tuition determined to be

less than $32,000 during the 2010-2011 school year. The allocation shall be no less than 175% of the amount allocated in 2015-2016 fiscal year.

(6) Money appropriated for regional community college services shall be distributed to each entity that received funding in fiscal year 2022-2023 in an amount equal to the amount received in that fiscal year.

(7) Money appropriated for community education councils shall be distributed in a manner that each community education council which received funding in fiscal year 2022-2023 shall receive an amount equal to the amount received in that fiscal year.

(8) From money appropriated for Parent Pathways, the Department of Education shall expand the Parent Pathways Learning Network Pilot Program to assist parenting students in pursuing postsecondary pathways to postsecondary degree or certificate completion. The Department of Education shall provide financial and technical assistance to postsecondary institutions to remove barriers to postsecondary degree or certificate completion and increase access to family-sustaining wages and in-demand occupations.

(9) Money appropriated for job training and education programs shall be used for grants for job training, dual enrollment or educational programs.

(10) From money appropriated for mobile science, mathematics and literacy programs the following shall apply:

(i) Money shall be used for grants to support mobile science and mathematics education programs.

(ii) Money may also be used for grants under section 1507-N of the Public School Code of 1949.

Section 1924-B. Department of Environmental Protection (Reserved).

Section 1925-B. Department of General Services.

The following apply to appropriations to the Department of General Services:

(1) From money appropriated to the Department of General Services for Capitol fire protection, the City of Harrisburg shall use the money to support the provisions of fire services to the Capitol Complex.

(2) A portion of the money appropriated to the Department of General Services for rental, relocation and municipal charges may be distributed, upon approval of the secretary, to other State agencies to pay for changes in rent and other lease and building operations costs due to a State agency relocation or a change in the amount of space occupied by a State agency. The secretary shall provide notice at least 10 days before a distribution under this paragraph to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives.

Section 1926-B. Department of Health.

The following apply to appropriations for the Department of Health:

(1) From money appropriated for general government operations, sufficient money is included for the coordination of donated dental services.

(2) From money appropriated for primary health care practitioner, the following apply:

(i) No less than $3,451,000 shall be used for Primary Care Loan Repayment Grant Awards.

(ii) No less than $1,500,000 shall be used for the Pennsylvania Academy of Family Physicians Family Medicine Residency Expansion Program.

(iii) No less than $1,300,000 shall be used for the Pennsylvania Academy of Family Physicians Family Medicine Physician Recruitment and Retention Programs.

(iv) Grantees other than as provided under subparagraphs (i), (ii) and (iii) that received amounts in the 2022-2023 fiscal year shall receive the amount each grantee received in the 2022-2023 fiscal year.

(3) Money appropriated for services for children with special needs shall be distributed to grantees in the same proportion as distributed in fiscal year 2019-2020.

(4) From money appropriated for adult cystic fibrosis and other chronic respiratory illnesses, the following apply:

(i) $212,000 shall be used for a program promoting cystic fibrosis and other chronic respiratory illnesses awareness in a county of the second class.

(ii) $106,000 shall be used for research related to childhood cystic fibrosis in a city of the first class with a hospital that is nationally accredited as a cystic fibrosis treatment center and specializes in the treatment of children.

(iii) Any money not used under subparagraph (i) or (ii) shall be distributed to grantees in the same proportion as distributed in fiscal year 2019-2020.

(5) Money appropriated for diagnosis and treatment for Cooley's anemia shall be distributed to grantees in the same proportion as distributed in fiscal year 2019-2020.

(6) Money appropriated for hemophilia services shall be distributed to grantees in the same proportion as distributed in fiscal year 2019-2020.

(7) Money appropriated for lupus programs shall be distributed proportionately to each entity that received funding in fiscal year 2018-2019.

(8) From money appropriated for sickle cell anemia services, including camps for children with sickle cell anemia, the following shall apply:

(i) Grantees which received amounts in fiscal year 2019-2020 shall receive an amount which is in the same proportion as distributed in fiscal year 2019-2020.

(ii) $75,000 shall be distributed to a qualifying academic medical center located in a county of the third class with a population between 280,000 and 300,000 under the most recent Federal decennial census for expanded care of adult sickle cell disease.

(9) Money appropriated for Lyme disease includes $1,200,000 for costs related to free tick testing for residents, including outreach and marketing and $1,000,000 for tick mitigation, both performed in conjunction with a university that is part of the State System of Higher Education.

(10) The appropriation for Amyotrophic Lateral Sclerosis Support Services includes the following:

(i) 69.8% of the appropriation shall be distributed to an organization that provides specialized care services in 36 counties; and

(ii) 30.2% of the appropriation shall be distributed to an organization that provides specialized care services in 31 counties.

(11) Money appropriated for neurodegenerative disease research shall be used for grants to academic clinical medical centers conducting neurodegenerative disease research in this Commonwealth.

Section 1927-B. Insurance Department (Reserved).

Section 1928-B. Department of Labor and Industry.

The following apply to appropriations to the Department of Labor and Industry:

(1) From money appropriated for Industry Partnerships, no less than the amount allocated in the 2014-2015 fiscal year shall be used for a work force development program that links veterans with employment in a home rule county that is a county of the second class A.

(2) (Reserved).

Section 1929-B. Department of Military and Veterans Affairs (Reserved).

Section 1930-B. Department of Human Services.

The following apply to appropriations for the Department of Human Services:

(1) From money appropriated for mental health services or from Federal money, $580,000 shall be used for the following:

(i) The operation and maintenance of a network of web portals that provide comprehensive referral services, support and information relating to early intervention, prevention and support for individuals with mental health or substance abuse issues, county mental health offices, providers and others that provide mental and behavioral health treatment and related services.

(ii) The expansion of the existing web portals, including services and resources for military veterans and their families, including comprehensive referral services for transitional, temporary and permanent housing, job placement and career counseling and other services for military veterans returning to civilian life.

(2) From money appropriated for mental health services, $20,000,000 shall be used for county mental health services in addition to the county funding under the act of October 20, 1966 (3rd Sp. Sess., P.L.96, No.6), known as the Mental Health and Intellectual Disability Act of 1966, and the Human Services Block Grant Program under Article XIV-B of the Human Services Code. The following shall apply:

(i) Money shall be allocated to individual counties and county local collaborative arrangements by using the most recent five-year estimate of the United States Census Bureau's American Community Survey, as available on the effective date of this subparagraph, in accordance with the following:

(A) 20% of the allocation shall be based on the percentage of a county's population.

(B) 40% of the allocation shall be based on the percentage of a county's population whose income level is above 125% of the Federal poverty level, but is not greater than 200% of the Federal poverty level.

(C) 40% of the allocation shall be based on the percentage of a county's uninsured population.

(ii) County mental health services shall be provided and reported in accordance with the requirements of the Department of Human Services.

(iii) Money received under this paragraph may not be included in the calculation of the allocation of money under the Human Services Block Grant Program.

(iv) The provisions of this paragraph do not apply to behavioral health services appropriations.

(3) Subject to the availability of Federal money and eligibility under Federal TANFBG rules, grantees who operated within the PA Workwear program in the prior fiscal year and who remain in operation shall be offered a grant for the fiscal year to continue service delivery in compliance with Federal TANFBG rules and reporting requirements under substantially similar terms as previous PA Workwear grants unless both parties agree to alternate terms. Nothing in this paragraph shall prohibit the Department of Human Services from offering a grant to a prospective PA Workwear provider to replace a prior grantee who chooses not to continue to operate in the program.

(4) From money appropriated for medical assistance capitation, no less than the amount used in the 2014-2015 fiscal year shall be used for prevention and treatment of depression and its complications in older Pennsylvanians in a county of the second class.

(5) The following shall apply to amounts appropriated for medical assistance fee-for-service:

(i) Payments to hospitals for Community Access Fund grants shall be distributed under the formulas utilized for these grants in fiscal year 2014-2015. If the total funding available under this subparagraph is less than that available in fiscal year 2014-2015, payments shall be made on a pro rata basis.

(ii) Amounts allocated from money appropriated for fee-for-service used for the SelectPlan for women's preventative health services shall be used for women's medical services, including noninvasive contraception supplies.

(iii) Money appropriated for medical assistance payments for fee-for-service care, exclusive of inpatient services provided through capitation plans, shall include sufficient money for two separate All Patient Refined Diagnostic Related Group payments for inpatient acute care general hospital stays for:

(A) normal newborn care; and

(B) mothers' obstetrical delivery.

(iv) No less than $405,000 shall be used for cleft palates and other craniofacial anomalies.

(v) No less than $1,600,000 shall be distributed to a hospital for clinical ophthalmologic services located in a city of the first class.

(vi) No less than $5,000,000 shall be distributed to acute care general hospitals impacted by the closure of a hospital in a city of the third class in a home rule county that is a county of the second class A, of which:

(A) 60% shall be distributed to an eligible hospital located in a township of the second class, in the same county as the closed hospital; and

(B) 40% shall be distributed to an eligible hospital located in contiguous boroughs in the same county as the closed hospital.

(vii) No less than $2,000,000 shall be distributed to a university located in a city of the first class to research the impact of trauma-informed programs on community violence prevention and health disparities.

(viii) No less than $3,000,000 shall be distributed to an enrolled outpatient therapy service provider located in a city of the second class in a county of the second class that provides behavioral health and medical rehabilitation pediatric outpatient services.

(ix) No less than $2,000,000 shall be distributed to an acute care hospital in a city of the third class with a population between 14,000 and 15,000 according to the most recent Federal decennial census in a county of the third class with a population between 350,000 and 360,000 according to the most recent Federal decennial census.

(x) The sum of $10,000,000 shall be used to make one-time inpatient supplemental payments to rural hospitals for the purpose of stabilization. The following shall apply to payments under this subparagraph:

(A) The Department of Human Services, in consultation with the Hospital and Healthsystem Association and representatives of hospitals participating in the Pennsylvania Rural Health Model, shall develop a payment methodology for the supplemental payment. The payment methodology shall use a specified, audited MA-336 hospital cost report or other specified report identified by the Department of Human Services.

(B) To be eligible for a payment under this subparagraph, a rural hospital shall meet the following criteria:

(I) Be located in a county of the fourth, fifth, sixth, seventh or eighth class.

(II) Be in operation and providing inpatient general acute care services as of the issuance date of a payment under this subparagraph.

(C) A rural hospital that receives a payment under this subparagraph shall provide documentation to the Department of Human Services, in a manner and format specified by the Department of Human Services, for the purposes of an audit review, if requested.

(D) The Department of Human Services shall seek Federal matching funds for the payments. To be eligible for Federal funds, a rural hospital shall meet Federal requirements.

(xi) No less than $2,000,000 shall be distributed to a general acute care hospital that is:

(A) in a county of the third class with a 2020 Federal decennial census population between 370,000 and 375,000;

(B) a burn center; and

(C) accredited by the Pennsylvania Trauma System Foundation as an adult trauma center and pediatric trauma center.

(xii) Subject to Federal approval, no less than $2,000,000 shall be distributed to a general acute care hospital in a city of the third class in a county of the third class as of the 2023-2024 fiscal year that operates campuses under the same license with acute care hospitals in a county of the sixth class. The general acute care hospital shall also:

(A) be accredited as a Level 1 trauma center and be a member of the Children's Hospital Association, as determined by the department at the time of payment;

(B) be a medical school in a county of the third class in a municipality of less than 5,000 residents under the 2020 Federal decennial census; and

(C) have a federally reported low-income utilization rate of 20%.

(xiii) The sum of $1,000,000 shall be distributed to a hospital that provides emergency department or hospital services in a home rule county that is a county of the second class A impacted by the closure of a hospital in a city of the third class located within the county.

(xiv) The sum of $500,000 shall be distributed to a nonpublic inpatient behavioral health facility located in a county of the third class with a population of at least 325,000 but not more than 330,000 under the most recent Federal decennial census.

(xv) The sum of $285,000 shall be distributed to a provider in a city of the first class that was enrolled in the Medical Assistance Program as a federally qualified health center with patients served between 7,800 and 7,850 in 2024, as reported by the Health Resources and Services Administration, whose focus is on providing primary care, dental and mental health care services.

(xvi) The sum of $285,000 shall be distributed to a provider in a city of the first class that was enrolled in the Medical Assistance Program as a federally qualified health center look-a-like with patients served between 8,900 and 8,950 in 2024, as reported by the Health Resources and Services Administration, whose focus is on providing primary care, dental and mental health care services.

(xvii) The sum of $430,000 shall be distributed to a general acute care hospital located in a city of the first class that has between 460 and 475 patient beds to provide services in a county of the second class A that is also a home rule county.

(xviii) The sum of $3,275,000 shall be distributed to a general acute hospital located in a city of the second class A in a county of the third class that has between 175 and 200 licensed inpatient beds.

(xix) No less than $836,000 shall be used to increase the medical assistance fee-for-service rates per unit for direct nursing services provided by a licensed practical nurse and registered nurse in the home and community-based settings for HCPCS codes G0299 U8 and G0300 U8. Nothing in this subparagraph shall be construed to apply to facility-based care settings.

(xx) No more than $900,000 may be used for a Medical Assistance Reentry Program established under section 1608-T.

(xxi) The sum of $600,000 shall be distributed to an inpatient psychiatric hospital that:

(A) has between 70 and 75 licensed inpatient beds;

(B) is located in a township of the first class; and

(C) is located in a county of the second class A with a population of more than 850,000 under the 2020 Federal decennial census.

(6) To supplement the money appropriated to the Department of Human Services for medical assistance for workers with disabilities, the following shall apply:

(i) In addition to the monthly premium under section 1503(b)(1) of the act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, the Department of Human Services may adjust the percentage of the premium upon approval of the Centers for Medicare and Medicaid Services as authorized under Federal requirements. Failure to make payments in accordance with this paragraph or section 1503(b)(1) of the Tobacco Settlement Act shall result in the termination of medical assistance coverage.

(ii) (Reserved).

(7) Qualifying physician practice plans that received money for fiscal year 2017-2018 shall not receive less than the State appropriation made available to those physician practice plans during fiscal year 2017-2018.

(8) Federal or State money appropriated under the General Appropriation Act of 2026 in accordance with 35 Pa.C.S. § 8107.3 (relating to funding) not used to make payments to hospitals qualifying as Level III trauma centers or seeking accreditation as Level III trauma centers shall be used to make payments to hospitals qualifying as Levels I and II trauma centers.

(9) Qualifying academic medical centers that received money for fiscal year 2017-2018 shall receive the same amount from the State appropriation made available to those academic medical centers during fiscal year 2017-2018.

(10) Money appropriated for medical assistance transportation shall only be utilized as a payment of last resort for transportation for eligible medical assistance recipients.

(11) From money appropriated for medical assistance long-term living:

(i) No less than the amount distributed in the 2014-2015 fiscal year shall be distributed to a county nursing home located in a home rule county that is a county of the second class A with more than 725 beds and a Medicaid acuity at 0.79 as of August 1, 2015.

(ii) No less than the amount used in the 2020-2021 fiscal year shall be distributed to a nonpublic nursing home located in a county of the first class with more than 395 beds and a Medicaid acuity at 1.06 as of August

1, 2022, to ensure access to necessary nursing care in that county.

(iii) (Reserved).

(iv) An additional $500,000 shall be paid in equal payments to medical assistance nursing facility providers which remain open as of the effective date of this subparagraph that qualified for supplemental ventilator care and tracheostomy care payments in fiscal year 2014-2015 with a percentage of medical assistance recipient residents who required medically necessary ventilator care or tracheostomy care greater than 90%. To receive payment, a medical assistance nursing facility services provider shall have been enrolled in the medical assistance program as of fiscal year 2014-2015 and be in operation on the date of the issuance of the payment under this subparagraph.

(v) An additional $250,000 shall be paid to a nursing facility located in a township of the first class in a county of the second class A which remains open as of the effective date of this subparagraph with a percentage of medical assistance recipient residents who required medically necessary ventilator care or tracheostomy care equal to or greater than 90% as of August 1, 2022.

(vi) An additional $250,000 shall be paid to a nursing facility located in a city of the first class which commenced operations after December 31, 2017, and which remains open as of the effective date of this subparagraph with a percentage of medical assistance recipient residents who required medically necessary ventilator care or tracheostomy care equal to or greater than 90% as of August 1, 2022.

(vii) Subject to Federal approval of necessary amendments of the Title XIX State Plan, $21,000,000 is allocated for medical assistance day-one incentive payments to qualified nonpublic nursing facilities under methodology and criteria under section 443.1(7)(vi) of the Human Services Code. The Department of Human Services shall determine a nonpublic nursing facility's overall and medical assistance occupancy rate to qualify for a medical assistance day-one incentive payment for the fiscal year based on a nursing facility's resident day quarter ending December 31, 2019, for the first of two payments and a nursing facility's resident day quarter ending March 31, 2020, for the second of two payments.

(viii) $1,500,000 shall be distributed to a nonpublic nursing home located in a home rule county that is a county of the second class A with more than 126 beds and a Medicaid acuity at 0.89 as of February 1, 2023, to ensure access to necessary nursing home care in that county.

(ix) $1,500,000 shall be distributed to a nonprofit skilled nursing home located in a city of the second class A in a county of the third class with a Medicaid acuity at 1.11 as of February 1, 2023, to ensure access to necessary skilled nursing care in that county.

(x) $1,000,000 shall be distributed to a nonpublic skilled nursing home located in a county of the third class with fewer than 50 beds and a Medicaid acuity of 1.03 as of April 1, 2025, to ensure access to necessary skilled nursing care in that county.

(12) From money appropriated for long-term care managed care, $3,500,000 is included to provide a 3.9% rate increase for LIFE program providers, beginning January 1, 2027.

(13) (Reserved).

(14) (Reserved).

(15) From money appropriated for autism intervention and services:

(i) $600,000 shall be allocated to a behavioral health facility located in a county of the fifth class with a population between 140,000 and 145,000 under the most recent Federal decennial census and shall be distributed to a health system that operates both a general acute care hospital and a behavioral health facility that has a center for autism and developmental disabilities located in a county of the fifth class with a population between 140,000 and 145,000 under the most recent Federal decennial census;

(ii) $300,000 shall be allocated to an institution of higher education that provides autism education and diagnostic curriculum located in a city of the first class that operates a center for autism in a county of the second class A;

(iii) $300,000 shall be allocated to an institution of higher education that provides autism education and diagnostic curriculum and is located in a county of the second class;

(iv) no less than the amount distributed in the 2014-2015 fiscal year shall be allocated for programs to promote the health and fitness of persons with developmental disabilities located in a city of the first class; and

(v) $600,000 shall be allocated for an entity that provides alternative educational services to individuals with autism and developmental disabilities in the county which was most recently designated as a county of the second class A.

(16) Money appropriated for breast cancer screening may be used for women's medical services, including noninvasive contraception supplies.

(17) From the appropriation for 2-1-1 Communications, $750,000 shall be allocated for a Statewide 2-1-1 System

Grant Program.

(18) The appropriation for services for the visually impaired shall include the following:

(i) an allocation of $4,084,000 for a Statewide professional services provider association for the blind to provide training and supportive services for individuals who are blind and preschool vision screenings and eye safety education;

(ii) an allocation of $818,000 to provide specialized services and prevention of blindness services in cities of the first class; and

(iii) an allocation of $250,000 to a nonprofit organization located in a county of the second class to provide vision rehabilitation services to Pennsylvania residents who are blind or visually impaired.

(19) The provisions of 8 U.S.C. §§ 1611 (relating to aliens who are not qualified aliens ineligible for Federal public benefits), 1612 (relating to limited eligibility of qualified aliens for certain Federal programs) and 1642 (relating to verification of eligibility for Federal public benefits) shall apply to payments and providers.

(20) The Department of Human Services shall not add nonmedically necessary services to the medical assistance program that would result in the need for a supplemental appropriation without the approval of the General Assembly. Each proposed service shall be outlined in the Governor's Executive Budget or subsequent updates provided in writing to the General Assembly. No money appropriated to the department may be used to pay costs associated with adding nonmedically necessary services to the medical assistance program.

(21) The following shall apply:

(i) The Secretary of Human Services shall report on a quarterly basis in person to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives information documenting each of the following State appropriations and their associated Federal appropriations:

(A) Medical Assistance - Capitation.

(B) Medical Assistance - Fee-for-service.

(C) Payment to Federal Government - Medicare Drug Program.

(D) Medical Assistance - Workers with Disabilities.

(E) Medical Assistance - Long-term living.

(F) Medical Assistance - Community - HealthChoices.

(G) Long-term Care Managed Care.

(H) Intellectual Disabilities - Intermediate Care Facilities.

(I) Intellectual Disabilities - Community Waiver Program.

(J) Autism Intervention Service.

(K) Early Intervention.

(ii) The information included in a report under subparagraph (i) shall include the following:

(A) Number of enrollees by month.

(B) Average cost per enrollee.

(C) Required payment amounts by appropriation during the fiscal year.

(D) Revised estimate of the money needed by the appropriation to make required payments for the remainder of the fiscal year.

(iii) If the revised estimates under subparagraph (ii)(D) indicate supplemental money may be necessary, the Secretary of Human Services shall provide a detailed explanation, in writing, of the reasons the revised estimates differ from the General Appropriation Act of 2026, or information provided previously under this paragraph.

Section 1931-B. Department of Revenue (Reserved).

Section 1932-B. Department of State (Reserved).

Section 1933-B. Department of Transportation.

The following shall apply to appropriations for the Department of Transportation:

(1) Beginning in the 2026-2027 fiscal year, the Secretary of Transportation or the secretary's designee shall, on a quarterly basis, meet in person with the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives to present a report on the status of the Motor License Fund and the Public Transportation Trust Fund, as follows:

(i) For the Motor License Fund, the report shall provide a reconciliation from a budgetary basis to a cash basis and shall document actual and estimated expenditures, commitments and augmentations, including Federal money, by appropriation or executive authorization and by the fiscal year in which the appropriation or executive authorization was made.

(ii) For the Public Transportation Trust Fund, the report shall provide a reconciliation from a budgetary basis to a cash basis and shall document actual and estimated expenditures, commitments and augmentations, including Federal money, by program, by the fiscal year in which the money was allocated for the program and by local transportation organization.

(2) (Reserved).

Section 1934-B. Pennsylvania State Police (Reserved).

Section 1935-B. Pennsylvania Emergency Management Agency.

The following shall apply to appropriations for the Pennsylvania Emergency Management Agency:

(1) Money appropriated for search and rescue programs shall be used to support programs related to training working service dogs focusing on rescue and public safety.

(2) Money appropriated for the State Fire Commissioner includes funding for a Statewide recruitment and retention coordinator and regional technical advisors to develop, implement and deliver recruitment and retention training programs and provide technical assistance to local fire organizations and local governments.

(3) From money appropriated for urban search and rescue, up to $6,000,000 shall be distributed to the sponsoring agency of an urban search and rescue task force organized within a regional counterterrorism task force covering a county of the second class established under 35 Pa.C.S. Ch. 72 (relating to counterterrorism planning, preparedness and response). Money distributed under this paragraph shall be used for equipment, equipment storage, training, administration and operating costs necessary for the urban search and rescue task force to meet or exceed the minimum requirements of a Type 3 urban search and rescue task force as defined by the Federal Emergency Management Agency in the resource-typing definition contained in the National Incident Management System guidelines, document identification number 8-508-1262, published in September 2020 and as defined in a mutually-agreed upon budget between the Pennsylvania Emergency Management Agency and the sponsoring agency. The sponsoring agency may also use no more than 3% of the money appropriated for administrative costs directly related to administering this paragraph. The minimum requirements of a Type 3 urban search and rescue task force as defined by FEMA in the resource-typing definition contained in the NIMS guidelines, document identification number 8-508-1262, published in September 2020 under 35 Pa.C.S. § 7214(a)(ii)(B) (relating to urban search and rescue teams) shall be met by January 5, 2028.

(4) For fiscal year 2026-2027, the agency may use up to $1,000,000 of unencumbered, unexpended funds previously appropriated for State disaster assistance to supplement disaster preparedness and emergency management activities.

Section 1936-B. State-related universities (Reserved).

Section 1937-B. State System of Higher Education (Reserved).

Section 1938-B. Pennsylvania Higher Education Assistance Agency.

The following shall apply to appropriations for the Pennsylvania Higher Education Assistance Agency:

(1) The Pennsylvania Higher Education Assistance Agency shall allocate $500,000 from the Higher Education Assistance Fund for the Cheyney University Keystone Academy.

(2) From money appropriated for payment of education

assistance grants, the amount of $1,000,000 shall be allocated to a State-owned university located in Tioga County for merit scholarships.

(3) From money appropriated for Pennsylvania Internship Program grants, funds may be used for internship and seminar programs.

(4) From money appropriated for matching payments for student aid, $2,500,000 shall be used by the agency for the Nursing Shortage Assistance Program as authorized under Article XVIII-B of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

(5) From money appropriated for matching payments for student aid, $3,000,000 shall be allocated to an institution of higher education to aid students enrolled in an accredited college of optometry located within this Commonwealth.

Section 1939-B. Thaddeus Stevens College of Technology.

The following shall apply to appropriations for the Thaddeus Stevens College of Technology:

(1) From funds appropriated for Thaddeus Stevens College of Technology, the President of the college shall cause to be prepared and submitted to the Secretary of Education, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader and the Minority Leader of the Senate, the Majority Leader and the Minority Leader of the House of Representatives, the chairperson and minority chairperson of the Education Committee of the Senate and the chairperson and minority chairperson of the Education Committee of the House of Representatives a comprehensive report outlining the use of funds appropriated, to specifically include the strategies and use of funds to expand student enrollment.

(2) (Reserved).

Section 1940-B. Pennsylvania Historical and Museum Commission (Reserved).

Section 1941-B. Environmental Hearing Board (Reserved).

Section 1942-B. Health Care Cost Containment Council (Reserved).

Section 1943-B. State Ethics Commission (Reserved).

Section 1944-B. Commonwealth Financing Authority (Reserved).

SUBARTICLE C

STATE GOVERNMENT SUPPORT AGENCIES

Section 1951-B. Legislative Reference Bureau (Reserved).

Section 1952-B. Legislative Budget and Finance Committee (Reserved).

Section 1953-B. Legislative Data Processing Committee (Reserved).

Section 1954-B. Joint State Government Commission (Reserved).

Section 1955-B. Local Government Commission (Reserved).

Section 1956-B. Legislative Audit Advisory Commission (Reserved).

Section 1957-B. Independent Regulatory Review Commission

(Reserved).

Section 1958-B. Capitol Preservation Committee (Reserved).

Section 1959-B. Pennsylvania Commission on Sentencing (Reserved).

Section 1960-B. Center for Rural Pennsylvania (Reserved).

Section 1961-B. Commonwealth Mail Processing Center (Reserved).

Section 1962-B. Legislative Reapportionment Commission (Reserved).

Section 1963-B. Independent Fiscal Office (Reserved).

SUBARTICLE D

JUDICIAL DEPARTMENT

Section 1971-B. Supreme Court (Reserved).

Section 1972-B. Superior Court (Reserved).

Section 1973-B. Commonwealth Court (Reserved).

Section 1974-B. Courts of common pleas (Reserved).

Section 1975-B. Community courts; magisterial district judges (Reserved).

Section 1976-B. Philadelphia Municipal Court (Reserved).

Section 1977-B. Judicial Conduct Board (Reserved).

Section 1978-B. Court of Judicial Discipline (Reserved).

Section 1979-B. Juror cost reimbursement (Reserved).

Section 1980-B. County court reimbursement (Reserved).

SUBARTICLE E

GENERAL ASSEMBLY

(Reserved)

ARTICLE XIX-C

2026-2027 RESTRICTIONS ON APPROPRIATIONS

FOR FUNDS AND ACCOUNTS

Section 1901-C. Applicability.

Except as specifically provided in this article, this article applies to the General Appropriation Act of 2026 and all other appropriation acts of 2026.

Section 1902-C. 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:

"General Appropriation Act of 2026." The act of , 2026 (P.L. , No.), known as the General Appropriation Act of 2026.

Section 1903-C. State Lottery Fund.

The following apply:

(1) Money appropriated for PENNCARE may not be utilized for administrative costs by the Department of Aging.

(2) Money appropriated to the Department of Aging includes sufficient money for the operation of the Alzheimer's, Dementia and Related Disorders Office.

Section 1904-C. Tobacco Settlement Fund (Reserved).

Section 1905-C. Judicial Computer System Augmentation Account (Reserved).

Section 1906-C. Emergency Medical Services Operating Fund (Reserved).

Section 1907-C. The State Stores Fund (Reserved).

Section 1908-C. Motor License Fund (Reserved).

Section 1909-C. Aviation Restricted Account (Reserved).

Section 1910-C. Hazardous Material Response Fund (Reserved).

Section 1911-C. Milk Marketing Fund (Reserved).

Section 1912-C. HOME Investment Trust Fund (Reserved).

Section 1913-C. Tuition Account Guaranteed Savings Program Fund (Reserved).

Section 1914-C. Banking Fund (Reserved).

Section 1915-C. Firearm Records Check Fund (Reserved).

Section 1916-C. Ben Franklin Technology Development Authority Fund (Reserved).

Section 1917-C. Oil and Gas Lease Fund (Reserved).

Section 1918-C. Home Improvement Account (Reserved).

Section 1919-C. Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund (Reserved).

Section 1920-C. Insurance Regulation and Oversight Fund (Reserved).

Section 1921-C. Pennsylvania Race Horse Development Restricted Receipts Account (Reserved).

Section 1922-C. Justice Reinvestment Fund (Reserved).

Section 1923-C. Multimodal Transportation Fund (Reserved).

Section 1924-C. State Racing Fund (Reserved).

Section 1925-C. ABLE Savings Program Fund (Reserved).

Section 1926-C. Tourism Promotion Fund (Reserved).

Section 1927-C. Enhanced Revenue Collection Account (Reserved).

Section 1928-C. (Reserved).

Section 1929-C. Opioid Settlement Restricted Account (Reserved).

Section 1930-C. COVID-19 Response Restricted Account (Reserved).

Section 1931-C. Pennsylvania Preferred® Trademark Licensing Fund.

Notwithstanding 3 Pa.C.S. § 4616 (relating to Pennsylvania Preferred® Trademark and Pennsylvania Preferred Organic® Trademark Licensing Fund), the Department of Agriculture may use money deposited into the Pennsylvania Preferred® Trademark and Pennsylvania Preferred Organic® Trademark Licensing Fund to promote one or more of the funding objectives under 3 Pa.C.S. § 4616(c) through the awarding of grants.

Section 1932-C. Agricultural Conservation Easement Purchase Fund.

The following shall apply:

(1) In addition to the uses provided in section 7.3 of the act of June 18, 1982 (P.L.549, No.159), entitled "An act providing for the administration of certain Commonwealth farmland within the Department of Agriculture," the Department of Agriculture may use up to a total of $165,000 in the Agricultural Conservation Easement Purchase Fund under section 7.1 of the act of June 18, 1982 (P.L.549, No.159), entitled "An act providing for the administration of certain Commonwealth farmland within the Department of Agriculture,"

to issue grants not to exceed $5,000 each for succession planning to ensure that agricultural operations continue on land subject to agricultural conservation easements. The Department of Agriculture, in consultation with the State Agricultural Land Preservation Board, shall establish eligibility criteria for awarding grants under this section.

(2) (Reserved).

Section 1932.1-C. Gaming Economic Development and Tourism Fund (Reserved).

Section 1932.2-C. State Gaming Fund.

The following shall apply:

(1) Money appropriated for the Animal Health and Diagnostic Commission shall be equally distributed to the animal diagnostic laboratory system laboratories located within this Commonwealth.

(2) Money appropriated for marketing to attract tourists shall be used to fund the activities of the tourism office within the Department of Community and Economic Development including Statewide marketing efforts.

Section 1933-C. Restricted receipt accounts.

(a) Authority.--The Secretary of the Budget may create restricted receipt accounts for the purpose of administering Federal grants only for the purposes designated in this section.

(b) Department of Community and Economic Development.--The following restricted receipt accounts may be established for the Department of Community and Economic Development:

(1) ARC Housing Revolving Loan Program.

(2) Brownfields Revolving Loan Fund.

(c) Department of Conservation and Natural Resources.--The following restricted receipt accounts may be established for the Department of Conservation and Natural Resources:

(1) Federal Aid to volunteer fire companies.

(2) Land and Water Conservation Fund Act of 1965 (Public Law 88-578, 16 U.S.C. § 460l-4 et seq.).

(3) National Forest Reserve Allotment.

(d) Department of Education.--The following restricted receipt accounts may be established for the Department of Education:

(1) Education of the Disabled - Part C.

(2) LSTA - Library Grants.

(3) The Pennsylvania State University Federal Aid.

(4) Emergency Immigration Education Assistance.

(5) Education of the Disabled - Part D.

(6) Homeless Adult Assistance Program.

(7) Severely Handicapped.

(8) Medical Assistance Reimbursements to Local Education Agencies.

(e) Department of Environmental Protection.--The following restricted receipt accounts may be established for the Department of Environmental Protection:

(1) Federal Water Resources Planning Act.

(2) Flood Control Payments.

(3) Soil and Water Conservation Act - Inventory of Programs.

(f) Department of Drug and Alcohol Programs.--The following restricted receipt accounts may be established for the Department of Drug and Alcohol Programs:

(1) Share Loan Program.

(2) (Reserved).

(g) Department of Transportation.--The following restricted receipt accounts may be established for the Department of Transportation:

(1) Capital Assistance Elderly and Handicapped Programs.

(2) Railroad Rehabilitation and Improvement Assistance.

(3) Ridesharing/Van Pool Program - Acquisition.

(h) Pennsylvania Emergency Management Agency.--The following restricted receipt accounts may be established for the Pennsylvania Emergency Management Agency:

(1) Receipts from Federal Government - Disaster Relief - Disaster Relief Assistance to State and Political Subdivisions.

(2) (Reserved).

(i) Pennsylvania Historical and Museum Commission.--The following restricted receipt accounts may be established for the Pennsylvania Historical and Museum Commission:

(1) Federal Grant - National Historic Preservation Act.

(2) (Reserved).

(j) Executive Offices.--The following restricted receipt accounts may be established for the Executive Offices:

(1) Retired Employees Medicare Part D.

(2) Justice Assistance.

(3) Juvenile Accountability Incentive.

(4) Early Retiree Reinsurance Program.

Section 1934-C. Fund transfers.

(a) Transfer to Environmental Stewardship Fund.--From money received under the authority of Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, $1,897,000 shall be transferred to the Environmental Stewardship Fund.

(b) Well Plugging Restricted Revenue Account.--For fiscal year 2026-2027, a total of $19,026,000 may be transferred to the Well Plugging Restricted Revenue Account from a combination of the following:

(1) The Waste Transportation Safety Account.

(2) The Alternative Fuels Incentive Grant Fund.

(3) The Used Tire Pile Remediation Account.

(4) The Solid Waste Abatement Fund.

(5) The Coal Refuse Disposal Control Fund.

(6) The Bituminous Mine Subsidence and Land Conservation Fund.

(7) The Sewage Facilities Program Administration Account.

(8) The Dams and Encroachment Fund.

(9) The Industrial Land Recycling Fund.

(c) Transfer to General Fund.--

(1) Notwithstanding any other provision of law to the contrary, during the 2026-2027 fiscal year, $580,000,000 shall be transferred from amounts available in restricted accounts and special funds that are designated as trust funds and of which the Secretary of the Budget has determined that a surplus balance exists, the transfer of which, in whole or part, will not jeopardize the objectives of the program. The transfers under this subsection shall be in accordance with the following:

(i) The Secretary of the Budget shall transmit to the State Treasurer a list of amounts to be transferred from special funds and restricted accounts to the General Fund.

(ii) Upon receipt of the list under subparagraph (i), the State Treasurer shall cause the transfers under this paragraph to occur.

(iii) No money may be transferred from the fund established under section 1701-A.

(2) (Reserved).

(d) Transfer to Crime Victim Services and Compensation Fund.--Notwithstanding section 902 of the Medical Marijuana Act, the Secretary of the Budget shall transfer $4,500,000 from the Medical Marijuana Program Fund to the Crime Victim Services and Compensation Fund.

Section 32. The act is amended by adding sections to read:

Section 8042. Amusement tax clarification.

A municipality that receives State funding, including grants, appropriations or distributions authorized by law, may not impose an amusement tax, as prohibited under the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, on complimentary or resort-sponsored admission to resort places of amusement that are provided by the resort to overnight guests without a separate charge for the amusement admission unless and until the Local Tax Enabling Act is amended to permit that amusement tax to be applied.

Section 8043. Situs for local sales tax for cities of the first class.

Notwithstanding any provisions of Chapter 5 of the act of June 5, 1991 (P.L.9, No.6), known as the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class, and Article II-B of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, to the contrary, a sale at retail shall be deemed consummated at the same location that the sale is deemed to be consummated for purposes of Article II of the Tax Reform Code of 1971, except as otherwise provided in Article II-A of the Tax Reform Code of 1971.

Section 8044. Situs for local sales tax for counties of the second class.

Notwithstanding any provisions of Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, to the contrary, a sale at retail shall be deemed consummated at the same location that it is deemed to be consummated for purposes of Article II of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, except as otherwise provided in Article II-A of the Tax Reform Code of 1971.

Section 8045. Net income.

(a) Net income.--Notwithstanding the definition of "net income" in section 2 of the act of May 30, 1984 (P.L.345, No.69), known as the First Class City Business Tax Reform Act, for purposes of calculating net income to determine business income and receipts tax liability in a city of the first class, net income has the same meaning as taxable income under sections 216 and 217, with respect to the treatment of any of the following:

(1) Research and experimental expenditures under 26 U.S.C. § 59(e) (relating to other definitions and special rules), 174 (relating to amortization of research and experimental expenditures), 174A (relating to domestic research or experimental expenditures) or 481 (relating to adjustments required by changes in method of accounting).

(2) Expenses for qualified production property under 26 U.S.C. § 168(n) (relating to accelerated cost recovery system).

(3) Interest deductions under 26 U.S.C. § 163(j) (relating to interest).

(b) Taxable income.--For purposes of applying sections 216 and 217 under subsection (a), a reference to taxable income shall be deemed to be a reference to net income to determine business income and receipts tax liability in a city of the first class.

(c) Application of modification.--A modification after the effective date of this subsection to the calculation of taxable income under Article IV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, that requires an addition, deduction, exclusion or other adjustment to account for a provision of 26 U.S.C. (relating to Internal Revenue Code) and to prevent a reduction in revenue to the Commonwealth, shall apply to the calculation of net income to determine business income and receipts tax liability in a city of the first class. For purposes of applying a modification under this subsection, a reference to taxable income shall be deemed to be a reference to net income to determine business income and receipts tax liability in a city of the first class.

Section 32.1. Article LXXX is amended by adding subarticles to read:

SUBARTICLE F

(Reserved)

SUBARTICLE G

HOUSING

Section 8061. Tracking system for publicly financed housing.

(a) Establishment.--No later than December 31, 2027, the agency shall post to its publicly accessible Internet website a searchable database of all publicly financed rental housing subject to one or more public assistance programs administered by the agency. To the extent data is available and permitted to be shared under Federal law, regulation or contract, the database shall include all of the following:

(1) The address of the property.

(2) The anticipated date on which the affordability restrictions affecting the property may terminate. In the event that a property is subject to multiple affordability restrictions under one or more public assistance programs, the anticipated termination date for each affordability restriction shall be included.

(3) Information as to whether the public assistance program or programs affecting the property allow the owner to elect to keep the property in the program or programs after the anticipated termination date of affordability restrictions relating to the program or programs.

(4) Information regarding whether the property has been granted an extension or modification of the affordability restrictions affecting the property and the new anticipated termination date of the affordability restrictions resulting from the extension or modification.

(5) Any other information that the agency deems relevant.

(b) Maintenance.--Subject to the availability of data, the agency shall maintain the database required under subsection (a) and update the contents, including any updates provided by a local housing agency under subsection (d), no later than December 31, 2027, and each December 31 thereafter.

(c) Reports.--By December 31 of each year following the implementation of the tracking system established under subsection (a), the agency shall submit a report to the Governor and the General Assembly, which shall include aggregate data for the next three calendar years for each publicly financed rental housing property. The agency may include any other information that the agency deems relevant.

(d) Delivery.--To the extent permitted by Federal, State or local law or regulation, a local housing agency may deliver to the agency all of the information required under subsection (a) with respect to each publicly financed rental property owned or operated by the local housing agency. Following the implementation of the tracking system under subsection (a), a local housing agency that elects to deliver the information described in this subsection shall deliver the information to the agency no later than October 1, 2027, and each October 1 thereafter. The agency shall incorporate all information delivered under this subsection in the publicly accessible database required under subsection (a) and in all reports required under subsection (c).

(e) Third party.--The agency may partner with a third-party entity to assist with the requirements of this subarticle.

(f) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Affordability restriction." A limit on rent that an owner may charge for occupancy of a rental unit in a publicly financed rental housing development or a limit on tenant income for persons or families seeking to qualify for admission to a publicly financed rental housing development.

"Agency." The Pennsylvania Housing Finance Agency.

"Local housing agency." An entity created and organized for the purpose of owning, operating, financing or administering one or more publicly financed rental housing projects.

"Owner." A natural person, firm, partnership, corporation, trust, organization, limited liability company or other entity, or its successors or assigns, that holds title to publicly financed rental housing.

"Publicly financed rental housing." A residential rental development with five or more units of housing that receives government assistance from any of the following:

(1) United States Housing and Urban Development Project Based Rental Assistance under 42 U.S.C. Ch. 8 Subch. I (relating to general program of assisted housing).

(2) A direct loan authorized under 12 U.S.C. § 1701q (relating to supportive housing for the elderly).

(3) A mortgage loan on publicly financed rental housing insured by the United States Department of Housing and Urban Development.

(4) The Federal Low-Income Housing Tax Credit Program provided under 26 U.S.C. § 42 (relating to low-income housing credit).

(5) A rural housing loan made under 42 U.S.C. §§ 1484 (relating to insurance of loans for housing and related facilities for domestic farm labor) and 1485 (relating to housing and related facilities for elderly persons and families or other persons and families of low income).

(6) A rural development project under 42 U.S.C. § 1490p-2 (relating to loan guarantees for multifamily rental housing in rural areas).

(7) Public housing established under 42 U.S.C. Ch. 8 (relating to low-income housing).

(8) Project-Based Rental Assistance issued by the United States Department of Housing and Urban Development.

(9) The National Housing Trust Fund established under 12 U.S.C. § 4568 (relating to Housing Trust Fund).

(10) The Affordable Housing Tax Credit provided under Article XVI-W.1.

(11) Any other residential rental development the agency may choose to be designed as receiving government assistance.

"Tenant." A person entitled to possession or occupancy of a rental unit in publicly financed rental housing, including a subtenant, lessee or sublessee.

"Termination." The cessation, discharge or removal of an affordability restriction affecting publicly financed rental housing in the absence of a simultaneous replacement of that restriction with an equivalent affordability restriction, including:

(1) Nonrenewal or termination, in whole or in part, of a government program contract.

(2) The expiration, in whole or in part, of an affordability restriction under a government program or the requirement to renew the restriction.

(3) Payment in full of a government program mortgage loan.

(4) Prepayment of a government program mortgage loan.

Section 33. The provisions of 25 Pa. Code § 287.101(b)(2) (relating to general requirements for permit) are abrogated.

Section 34. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the amendment of section 1604-T of the act.

(2) Section 602 of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code, is repealed to the extent inconsistent with the amendment of section 1604-T of the act.

(3) The General Assembly declares that the repeal under paragraph (4) is necessary to effectuate the addition of Subarticle G of Article XVII-A.2 of the act.

(4) The act of April 4, 1929 (P.L.160, No.155), referred to as the Midwife Regulation Law, is repealed.

Section 35. The following shall apply:

(1) The amendment to section 1603-T(a) shall apply to MA-11 cost reports submitted by county and nonpublic nursing facilities for reporting periods ending on or after June 30, 2026.

(2) The addition of section 8043 of the act shall apply to tax years beginning after December 31, 2025.

(3) The addition of section 8044 of the act shall apply to tax years beginning after December 31, 2025.

(4) The addition of section 8045 of the act shall apply to tax years beginning after December 31, 2024.

(5) The provisions of section 615-B(h) and (i) of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, are suspended for the purpose of considering this bill and all amendments to it.

Section 36. Retroactivity is as follows:

(1) The amendment of section 1602-T(1)(i)(A) and 1603-T(a) of the act shall apply retroactively to June 29, 2026.

(2) The amendment of section 1753.2-E(b.1) of the act shall apply retroactively to January 26, 2026.

Section 37. This act shall take effect as follows:

(1) The addition of sections 1312, 1313, 1314, 1315, 1316 and 1317 of the act and section 33 of this act shall take effect upon publication in the Pennsylvania Bulletin of the final-form regulations promulgated under section 1311(a) of the act.

(2) The addition of sections 1322, 1323 and 1324 of the act shall take effect upon the publication in the Pennsylvania Bulletin of the temporary regulations promulgated under section 1325 of the act or upon publication in the Pennsylvania Bulletin of the final-form regulations promulgated under section 1321(a)(2) of the act, whichever is earlier.

(3) The addition of sections 1331, 1332, 1333, 1334 and 1335 of the act shall take effect on the earlier of a publication under paragraph (1) or (2).

(4) The remainder of this act shall take effect immediately.