
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1292 Session of
2023

INTRODUCED BY O'MARA, MADDEN, SANCHEZ, ISAACSON, VITALI,
KRAJEWSKI, CIRESI, FREEMAN, OTTEN, KHAN, KINSEY AND GUENST,
JUNE 1, 2023

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
JUNE 1, 2023

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
2 "An act relating to the finances of the State government;
3 providing for cancer control, prevention and research, for
4 ambulatory surgical center data collection, for the Joint
5 Underwriting Association, for entertainment business
6 financial management firms, for private dam financial
7 assurance and for reinstatement of item vetoes; providing for
8 the settlement, assessment, collection, and lien of taxes,
9 bonus, and all other accounts due the Commonwealth, the
10 collection and recovery of fees and other money or property
11 due or belonging to the Commonwealth, or any agency thereof,
12 including escheated property and the proceeds of its sale,
13 the custody and disbursement or other disposition of funds
14 and securities belonging to or in the possession of the
15 Commonwealth, and the settlement of claims against the
16 Commonwealth, the resettlement of accounts and appeals to the
17 courts, refunds of moneys erroneously paid to the
18 Commonwealth, auditing the accounts of the Commonwealth and
19 all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or

1 other moneys to the Commonwealth, or any agency thereof,
2 every State depository and every debtor or creditor of the
3 Commonwealth," in oil and gas wells, further providing for
4 definitions and for Oil and Gas Lease Fund and providing for
5 Public Natural Resources Trust Fund.

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

8 Section 1. Section 1601-E of the act of April 9, 1929
9 (P.L.343, No.176), known as The Fiscal Code, is amended by
10 adding a definition to read:

11 Section 1601-E. Definitions.

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

15 * * *

16 "Trust fund." The Public Natural Resources Trust Fund
17 established in section 1601.3-E.

18 Section 2. Section 1601.2-E(e) of the act, amended July 11,
19 2022 (P.L.540, No.54), is amended to read:

20 Section 1601.2-E. Oil and Gas Lease Fund.

21 * * *

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

23 (1) (i) [Except as provided under subparagraph (ii),
24 for] For the [2017-2018] 2019-2020 fiscal year and each
25 fiscal year thereafter, [\$20,000,000] \$35,000,000 shall
26 be transferred from the fund to the Marcellus Legacy Fund
27 for distribution to the Environmental Stewardship Fund.

28 [(ii) No amount shall be transferred from the fund
29 to the Marcellus Legacy Fund for distribution to the
30 Environmental Stewardship Fund for the 2019-2020, 2020-
31 2021, 2021-2022 and 2022-2023 fiscal year.]

32 (2) For the 2017-2018 fiscal year and each fiscal year

1 thereafter, \$15,000,000 shall be transferred from the fund to
2 the Marcellus Legacy Fund for distribution to the Hazardous
3 Sites Cleanup Fund.

4 (3) For the 2019-2020 fiscal year and each fiscal year
5 thereafter, money shall be transferred from the fund as
6 provided in section 1601.3-E.

7 (4) In the fiscal year following the fiscal year in
8 which the principal of the trust fund exceeds the amount
9 specified under section 1601.3-E(d)(2) and each fiscal year
10 thereafter, all money in the fund shall be appropriated to
11 the department as authorized under this section.

12 Section 3. The act is amended by adding a section to read:
13 Section 1601.3-E. Public Natural Resources Trust Fund.

14 (a) Establishment.--The Public Natural Resources Trust Fund
15 is established in the State Treasury.

16 (b) Revenue sources.--In addition to the transfers
17 authorized in paragraph (1), the trust fund shall include money
18 appropriated by the General Assembly, money received from the
19 Federal Government and grants or donations from other sources.
20 Interest and any other earnings shall remain in the trust fund.
21 Gifts and donations of marketable securities may be held or
22 disposed of for cash at the option of the State Treasurer. The
23 cash receipts of gifts and donations of cash or capital assets
24 and marketable securities disposed of for cash must be credited
25 immediately to the principal of the trust fund. When marketable
26 securities are disposed of for cash, the amount to be credited
27 to the trust fund shall be the value of the marketable
28 securities at the time of the gift or donation. The following
29 apply:

30 (1) Beginning with the 2019-2020 fiscal year and each

1 fiscal year thereafter, all rents and royalties paid into the
2 fund in excess of \$70,000,000 shall be transferred to the
3 trust fund.

4 (2) Disbursements from the trust fund shall be made only
5 when the balance of the trust fund exceeds \$700,000,000.

6 (c) Balance.--Money in the trust fund not expended or
7 distributed in the fiscal year in which it was made available
8 shall not lapse and shall be available for use under this
9 section in the next fiscal year.

10 (d) Disposition.--

11 (1) For fiscal year 2019-2020 through the fiscal year
12 following the fiscal year in which the principal of the trust
13 fund exceeds \$700,000,000, of the remaining rents and
14 royalties paid into the fund after any transfer under
15 subsection (b)(1):

16 (i) The department shall allocate 57% as follows:

17 (A) Forty percent for the department's community
18 recreation and conservation program for grant funding
19 of projects that meet the purposes specified under
20 subsection (e).

21 (B) Sixty percent for use by the department for
22 projects on State park and State forest land that
23 meet the purposes set forth in subsection (e).

24 (ii) Forty-three percent shall be transferred to the
25 Environmental Stewardship Fund, of which:

26 (A) Sixty-five percent shall be for use by the
27 Department of Environmental Protection for projects
28 that meet the purposes set forth in subsection (e).

29 (B) Thirty-five percent shall be for use by the
30 Department of Agriculture for farmland preservation

1 projects, not to exceed \$15,000,000 in a fiscal year.

2 (2) For the fiscal year following the fiscal year in
3 which the principal of the trust fund exceeds \$700,000,000
4 and each fiscal year thereafter, the department may allocate
5 from the trust fund an amount up to the amount of interest
6 income derived from investment of money in the trust fund
7 during the preceding fiscal year. The allocation under this
8 paragraph is subject to the State Treasurer certifying in the
9 financial report required under subsection (h) that making
10 the allocation will not reduce the principal of the trust
11 fund.

12 (3) The department shall allocate the money available
13 under paragraph (2) in the same proportion as amounts
14 allocated under paragraph (1).

15 (4) A disposition of money under this subsection that is
16 inconsistent with the provisions of paragraph (1), (2) or (3)
17 may be made through approval of a separate appropriations
18 bill by a vote of two-thirds of the members elected to the
19 Senate and the House of Representatives.

20 (e) Purposes.--The money in the trust fund may only be used
21 for the following purposes:

22 (1) Public land conservation.

23 (2) Public recreation.

24 (3) Watershed protection.

25 (4) Acid mining drainage abatement and maintenance and
26 operation of existing acid mining drainage projects.

27 (5) Heritage area projects.

28 (6) Conservation landscape initiatives of the
29 department.

30 (7) Farmland preservation.

1 (8) Greenways.

2 (9) Green infrastructure for flood mitigation.

3 (10) Reforestation and urban canopy projects.

4 (11) Abandoned well plugging.

5 (12) Habitat restoration.

6 (13) Monitoring and mitigation of impacts or damage to
7 State land caused by activity related to oil and gas
8 development.

9 (14) Acquisition of replacement land and buffers to
10 offset or prevent harm to State land caused by activity
11 related to oil and gas development.

12 (15) Acquisition of oil, gas and other mineral rights
13 located under State land.

14 (16) Educational programming by the department and grant
15 recipients of the department, with a focus on science-based
16 natural resource conservation.

17 (17) Scientific research related to the other purposes
18 listed under this subsection.

19 (18) The annual audit required under subsection (j).

20 (19) The trust fund reports required under this section.

21 (f) Limitation.--Money in the trust fund may not be used to
22 fund maintenance or operating expenses, unless the expenses are
23 directly related to acid mining drainage projects existing as of
24 the effective date of this subsection.

25 (g) Supplemental funding.--Money in the trust fund shall
26 supplement funding from the General Fund, including the sources
27 of funding for the purposes listed in subsection (e). Money in
28 the trust fund may not be used to supplant existing General Fund
29 appropriations to the department or to any other agency of the
30 Commonwealth.

1 (h) Financial report.--The State Treasurer shall complete
2 and submit an annual financial report of the trust fund to the
3 Governor, the Attorney General and the Auditor General. The
4 report shall be submitted within 30 days of the end of the first
5 full fiscal year following the effective date of this subsection
6 and within 30 days of the end of each fiscal year thereafter.
7 The report shall contain the following:

8 (1) A statement of the principal then held in the trust
9 fund and any changes in the principal since the report of the
10 prior fiscal year.

11 (2) A statement of the trust fund income received during
12 the fiscal year in question.

13 (3) A statement of the investments then held in the
14 trust fund, including descriptions and respective values of
15 the investments.

16 (4) Any other information determined by the State
17 Treasurer to reflect a full and complete disclosure of the
18 financial operations of the trust fund.

19 (i) Expenditure report.--The department shall complete and
20 submit an annual report of the expenditures authorized in
21 subsection (d) to the Governor, the Attorney General, the
22 chairperson and minority chairperson of the Environmental
23 Resources and Energy Committee of the Senate and the chairperson
24 and minority chairperson of the Environmental Resources and
25 Energy Committee of the House of Representatives. The report
26 shall be submitted within 45 days of the end of the first fiscal
27 year following the effective date of this subsection and within
28 45 days of the end of each fiscal year thereafter. The
29 department shall post and maintain each report on the
30 department's publicly accessible Internet website. The report

1 shall contain the following:

2 (1) For fiscal year 2019-2020 through the fiscal year
3 following the fiscal year in which the principal of the trust
4 fund exceeds \$700,000,000:

5 (i) A description and accounting of all expenditures
6 and distributions from the fund for the preceding fiscal
7 year.

8 (ii) An outline of the objectives and planned
9 expenditures from the fund for the next fiscal year.

10 (2) For the fiscal year following the fiscal year in
11 which the principal of the trust fund exceeds \$700,000,000
12 and each fiscal year thereafter:

13 (i) A description and accounting for all
14 expenditures and distributions by the trust fund for the
15 preceding fiscal year.

16 (ii) An outline of the objectives and planned
17 expenditures from the trust fund for the next fiscal
18 year.

19 (j) Audit.--The Auditor General shall perform an audit of
20 the trust fund each fiscal year. Costs of the audit shall be
21 paid out of the trust fund.

22 (k) Public information.--Information in the possession of
23 the department, the Treasury Department, the Department of
24 Environmental Protection and the Department of Agriculture
25 relating to the trust fund shall be considered a public record
26 under the act of February 14, 2008 (P.L.6, No.3), known as the
27 Right-to-Know Law.

28 Section 4. This act shall take effect immediately.