

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1040 Session of
2025

INTRODUCED BY K. WARD, PITTMAN AND MARTIN, OCTOBER 3, 2025

REFERRED TO APPROPRIATIONS, OCTOBER 3, 2025

AN ACT

1 Authorizing the State Treasurer to waive interest on budgetary
2 impasse investment loans.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Budgetary
7 Impasse Investment Loan Act.

8 Section 2. Definitions.

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

12 "Budgetary impasse." Any of the following:

13 (1) The period beginning July 1, 2025, and ending on the
14 effective date of a General Appropriation Act for the 2025-
15 2026 fiscal year.

16 (2) The period beginning July 1, 2026, and ending on the
17 effective date of a General Appropriation Act for the 2026-
18 2027 fiscal year.

1 "Budgetary impasse investment loan." An investment loan
2 entered into or otherwise authorized by the State Treasurer,
3 pursuant to section 301.1 of the Fiscal Code, during a budgetary
4 impasse, the purpose of which is to provide short-term funding
5 support to a loan recipient in anticipation of the receipt of
6 State appropriation payments subsequent to the enactment of the
7 General Appropriation Act for the 2025-2026 fiscal year or the
8 General Appropriation Act for the 2026-2027 fiscal year.

9 "Fiscal Code." The act of April 9, 1929 (P.L.343, No.176),
10 known as The Fiscal Code.

11 "Head Start." A program funded under the Federal Head Start
12 Act established by the Omnibus Budget Reconciliation Act of 1981
13 (Public Law 97-35, 95 Stat. 357) and carried out by a Head Start
14 agency or delegate agency that provides ongoing comprehensive
15 child development services.

16 "Loan recipient." Any of the following:

17 (1) The governing body of a county government.

18 (2) A domestic violence entity which receives a direct
19 grant from the Department of Human Services from the
20 appropriation for domestic violence programs.

21 (3) A Head Start agency.

22 (4) A rape crisis entity which receives a direct grant
23 from the Department of Human Services from the appropriation
24 for rape crisis programs.

25 (5) An approved provider under the Pennsylvania Pre-K
26 Counts Program that receives a direct grant from the
27 Department of Education from the appropriation for the Pre-K
28 Counts Program.

29 Section 3. Waiver of interest.

30 The State Treasurer may waive or otherwise forgo, in the

1 State Treasurer's sole discretion, the imposition, demand and
2 collection of any interest, costs or fees associated with a
3 budgetary impasse investment loan issued pursuant to section
4 301.1 of the Fiscal Code, the exercise of which shall not be
5 deemed a violation of or otherwise inconsistent with the State
6 Treasurer's fiduciary investment standard under section 301.1(h)
7 and (i) of the Fiscal Code.

8 Section 4. Application.

9 This act shall apply retroactively to July 1, 2025.

10 Section 5. Effective date.

11 This act shall take effect immediately.