



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1798

PRINTER'S NO: 2334

PRIME SPONSOR: Eachus

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Expenditure Increase/(Decrease):		
General Fund	\$0	\$0

OVERVIEW:

House Bill 1798 amends the H20 PA Act (Act 63 of 2008) as follows:

1. Requires the Secretary of the Budget to certify on or before January 1 of each year to the Commonwealth Financing Authority (CFA) and the State Treasurer the amount of funds available for transfer from the Pennsylvania Gaming Economic Development and Tourism Fund (PA GEDTF) for the next fiscal year. The H20 PA Act provides that all funds not previously allocated to projects under the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007 (Act 53 of 2007) shall be transferred to the CFA for H20 projects.
2. Authorizes the Secretary of the Budget to request an appropriation from the General Fund if inadequate funds are available under the PA GEDTF to pay all the costs related to indebtedness incurred to fund projects under the H20 PA Act.
3. Provides for a reallocation of \$15 million from flood control projects to high hazard unsafe dam projects. The minimum grant amount for flood control projects is reduced from \$100 million to \$85 million, and the minimum grant amount for high hazard unsafe dam projects is increased from \$35 million to \$50 million.
4. Authorizes the CFA to consider a not-for-profit organization that owns a high hazard unsafe dam an eligible applicant so long as the entity applies before the effective date of this act.

This act shall take effect in 60 days.

ANALYSIS:

The H20 PA Act authorized the CFA to issue bonds up to \$800 million to finance water or sewer projects, storm water projects, flood control projects, and high hazard unsafe dam projects. The H20 PA Act provides that all funds not previously allocated to projects under the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007 (Act 53 of 2007) shall be transferred to the CFA and shall be used by the CFA for payment of the debt service related to the issuance of bonds related to projects authorized under the H20 PA Act.

House Bill 1798 provides that in the event insufficient revenues are generated via the PA GEDTF to pay all the costs related to indebtedness incurred to fund H20 PA projects, the Secretary of the Budget is authorized to request an appropriation on behalf of the CFA. This language is necessary to ensure the sale of bonds.

Adoption of this legislation should not have an adverse impact on Commonwealth funds as the PA GEDTF is predicted to generate enough revenue to cover the costs related to indebtedness incurred as a result of the H20 PA Act.

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House Appropriations Committee, (D)

DATE: July 9, 2009

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*