



# HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

## FISCAL NOTE

HOUSE BILL: 2399

PRINTER'S NO: 3495

PRIME SPONSOR: Bradford

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

### OVERVIEW:

House Bill 2399 amends Title 64 (Public Authorities and Quasi-Public Corporations) allowing the Commonwealth Financing Authority (CFA) to securitize loan repayments from the existing Business In Our Sites Program (BIOS) portfolio for additional BIOS project grants and loans.

This act shall take effect in 60 days.

### ANALYSIS:

Title 64 authorized the CFA to incur up to \$300 million in indebtedness for the BIOS Program. The CFA has allocated the initial \$300 million in grants and loans, and in return has leveraged over \$1 billion in private investment.

House Bill 2399 provides the CFA with the statutory authority to use the existing portfolio of BIOS loans as security to borrow an additional \$50 million to \$100 million from private markets. The debt would be repaid from existing loan repayments and new loans initiated by additional projects; consequently, enactment of this bill would not impact commonwealth funds. It is projected that \$100 million of BIOS funds will leverage \$300 million in private investment based on the private funds leveraged from the initial \$300 million.

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House Appropriations Committee, (D)

**DATE:** April 26, 2010

**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.*