



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1597

PRINTER'S NO: 1989

PRIME SPONSOR: Mirabito

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
Expenditure Increase/(Decrease):		
General Fund	\$0	\$0

OVERVIEW:

House Bill 1597 amends Title 64 (Public Authorities and Quasi-Public Corporations) further providing for indebtedness and the Second Stage Loan Program.

This act shall take effect immediately.

ANALYSIS:

House Bill 1597 expands program eligibility to businesses that have been in existence for more than seven years while retaining the two year minimum. The bill also provides that the loan guarantee shall not exceed fifty percent (50%) of the outstanding principal amount for the life of the loan. The loan guarantee will still terminate at the end of seven years. The bill also increases the maximum loan guarantee amount from \$1 million to \$5 million.

The adoption of House Bill 1597 will have no adverse impact on Commonwealth funds. The bill would reduce the limit of indebtedness for the Tax Increment Financing Guarantee Program to \$50 million from \$100 million, and increase the level of indebtedness for the Second Stage Loan Program from \$50 million to \$100 million. No new funding is involved in this transfer. The Commonwealth Financing Authority (CFA) did not capitalize these guarantee programs, and CFA covers any potential losses under its guarantee programs through a line of credit to backstop the programs.

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House Appropriations Committee, (D)

DATE: June 22, 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.*