



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1547

PRINTERS NO. 2081

PRIME SPONSOR: Adolph

CATEGORY	FY 2012-2013	FY 2013-2014	INC/(DEC)
Public Improvement Projects— Buildings & Structures	\$995,000,000	\$685,000,000	(\$310,000,000)
Public Improvement Projects— Furniture & Equipment	\$40,000,000	\$10,000,000	(\$30,000,000)
Transportation Assistance	\$210,000,000	\$175,000,000	(\$35,000,000)
Redevelopment Assistance	\$345,000,000	\$340,000,000	(\$5,000,000)
Flood Control Projects	\$0	\$10,000,000	\$10,000,000
Bridge Projects	\$85,000,000	\$40,000,000	(\$45,000,000)
TOTAL	\$1,675,000,000	\$1,260,000,000	(\$415,000,000)

SUMMARY: House Bill 1547, printer's number 2081, provides for the Capital Budget Act of 2013-14. This legislation would take effect July 1, 2013, or immediately, whichever is later.

ANALYSIS: The bill specifies the maximum principal amount of debt to be incurred during the 2013-14 fiscal year for capital projects itemized in a capital projects itemization bill.

FISCAL IMPACT: In addition to the amortization of the principal amount of bonds, the Commonwealth will incur the additional cost for the interest on the bonds that are sold. While the exact costs cannot be determined since costs will be dependent upon the timing of bond sales and interest rate(s) set at the time of the sale, estimated debt service on each \$100,000,000 of bonds sold would be \$135,677,000 assuming level annual debt service and an interest rate of 3.1%. Estimated annual debt service assuming the same interest rate and level annual debt service would be \$6,784,000 for twenty years. If the full authorization of \$1,260,000,000 were sold at an interest rate of 3.1%, total estimated debt service would be \$1,709,535,000 or \$85,477,000 each year for twenty years.

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House Appropriations Committee (R)

DATE: June 20, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.