



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 930

PRINTERS NO. 1455

PRIME SPONSOR: Toohil

COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
General Fund	\$0	\$0

SUMMARY: House Bill 930, printer's number 1455, amends the act of February 9, 1999 (P.L. 1, No. 1), known as the Capital Facilities Debt Enabling Act, as amended; to further provide for appropriation for and limitation on capital projects. Effective date is 60 days after enactment.

ANALYSIS: The bill amends Section 317 of the Capital Facilities Debt Enabling Act by adding new subsections to limit additional capital project releases financed by debt. Beginning July 1, 2015, and each fiscal year thereafter, the following limitations on the release of new capital projects for funding authorizations financed by debt shall apply:

Public Improvement Projects (includes building and structures; furniture and equipment) – shall not exceed \$350,000,000 per year; and

Redevelopment Assistance Capital Projects – shall not exceed \$125,000,000 per year.

Any unused allocation in a fiscal year may be carried forward and added to the following fiscal year's limitation, but the amount carried forward may not exceed half of the total amount authorized to be released for that project category for the previous fiscal year.

The Governor's Office and the Executive Branch control the release of capital projects.

FISCAL IMPACT: The enactment of this legislation will have no immediate impact on Commonwealth funds. To the extent the limitations on annual capital project releases reduce debt issuance in the future, debt service payment obligations of the Commonwealth will also decrease. While exact savings cannot be determined since debt service costs will be dependent upon the amount, timing and interest rates of future bond sales, an estimate of debt service payments that can be avoided based on each \$100,000,000 of bonds not sold, assuming level annual debt service and an interest rate of 3.8%, will be \$7,228,000 annually or \$144,569,000 over 20 years.

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House Appropriations Committee (R)

DATE: October 20, 2015

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