



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 1292

PRINTERS NO. 1961

PRIME SPONSOR: Browne

| CATEGORY   | FY 2015-2016           | FY 2016-2017           | INC/(DEC)              |
|--|------------------------|------------------------|------------------------|
| Public Improvement Projects—<br>Buildings & Structures | \$750,000,000          | \$765,000,000          | \$15,000,000           |
| Public Improvement Projects—<br>Furniture & Equipment  | \$20,000,000           | \$10,000,000           | (\$10,000,000)         |
| Transportation Assistance                              | \$175,000,000          | \$175,000,000          | \$0                    |
| Redevelopment Assistance                               | \$335,000,000          | \$150,000,000          | (\$185,000,000)        |
| Flood Control Projects                                 | \$10,000,000           | \$10,000,000           | \$0                    |
|  |                        |                        |                        |
| <b>TOTAL</b>   | <b>\$1,290,000,000</b> | <b>\$1,110,000,000</b> | <b>(\$180,000,000)</b> |

**SUMMARY:** Senate Bill 1292, printer's number 1961, provides for the Capital Budget Act of 2016-17. This legislation would take effect October 1, 2016, or immediately, whichever is later.

**ANALYSIS:** The bill specifies the maximum principal amount of debt to be incurred during the 2016-17 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) at the time of the sale, estimated debt service on each \$100,000,000 of bonds sold would be \$140,086,000 assuming level annual debt service and an interest rate of 3.45%. Estimated annual debt service assuming the same interest rate and level annual debt service would be \$7,004,000 for twenty years. If the full authorization of \$1,100,000,000 were sold at an interest rate of 3.45%, total estimated debt service would be \$1,540,949,000 or \$77,047,000 each year for twenty years.

**PREPARED BY:** Lisa Taglang  
House Appropriations Committee (R)

**DATE:** October 19, 2016

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