



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 880

PRINTERS NO. 991

PRIME SPONSOR: Lewis

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

House Bill 880, printer's number 991, amends the act of February 9, 1999 (P.L. 1, No. 1), known as the Capital Facilities Debt Enabling Act, to further provide for limitation on redevelopment assistance capital projects.

The effective date is immediately after enactment.

ANALYSIS:

The bill amends Section 317(b) of the Capital Facilities Debt Enabling Act by adding a new paragraph to decrease the maximum amount of redevelopment assistance capital project (RACP) debt that may be outstanding by \$100,000,000 each July 1, beginning July 1, 2022. The annual \$100,000,000 decreases shall continue until the sum of the outstanding obligations equals \$2,650,000,000.

FISCAL IMPACT:

To the extent RACP debt issuance decreases in the future due to the \$100,000,000 mandated reduction in the RACP maximum debt outstanding cap, 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 amortization and an interest rate of 4.0%, will be \$147,160,000 over 20 years. Using level principal amortization methodology, the estimate of debt service payments that can be avoided based on each \$100,000,000 of bonds not sold assuming an interest rate of 4%, will be 142,000,000 over 20 years.

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House Appropriations Committee (R)

DATE: April 30, 2019

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