



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 733

PRINTERS NO. 945

PRIME SPONSOR: Browne

As amended by: A02505, A02595

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
Gaming Economic Development & Tourism Fund	\$0	See fiscal impact

SUMMARY: Senate Bill 733, printer's number 945, as amended by A02505 and A02595, provides the Pennsylvania Gaming Economic Development and Tourism Fund (GEDTF) Capital Budget for 2019; itemizing projects to be assisted by the Department of Community and Economic Development; together with their estimated financial costs; authorizing recurring payments for certain projects; making appropriations; and making a conforming amendment to Title 4 (Amusements) of the Pennsylvania Consolidated Statutes to further provide for the Pennsylvania GEDTF; and providing for reports related to projects authorized through capital budget itemization acts.

The effective date is immediately after enactment.

ANALYSIS: The bill authorizes the funding of grants for a project from GEDTF revenues in the total amount of \$20,000,000. The project itemized is a regional economic development corporation located in two contiguous counties of the third class where a city of the third class is located in both counties (Lehigh and Northampton Counties) for debt service on the construction of a science and education center. The regional economic development corporation may not expend more than one-tenth of 1% of grant funds for administrative costs incurred by the corporation. The amount allocated for the project is to be paid in annual amounts of not less than \$2,000,000 for 10 years. The project was previously approved as part of Act 42 of 2017 with the designation that GEDTF funding for the project was to begin in fiscal year 2019-20.

The legislation also mandates the Secretary of the Budget to electronically provide a report to all members of the General Assembly within ten days of the close of each quarter. The report is to include information on the authorized projects funded by the GEDTF as well as an estimate of the total amount of funds remaining available to be committed for additional projects.

The bill makes a conforming amendment to Section 1407 of Title 4 to clarify that GEDTF funds that had previously been distributed to a community infrastructure development fund in a county of the second class for award as grants for construction, development, improvement and maintenance of county infrastructure will be distributed after December 31, 2017 by the Commonwealth Financing Authority (CFA) as enacted by Act 42 of 2017.

FISCAL IMPACT: The enactment of this legislation will result in maximum additional annual payments of \$2,000,000 from the GEDTF for 10 years beginning in fiscal year 2019-20. If in any year the Department of Community and Economic Development determines that sufficient funds do not exist to make the payment outlined, the payment will be proportionately reduced in the amount equal to the shortfall in the GEDTF. The amount of GEDTF community infrastructure development fund grants that will be directly awarded by the CFA will be \$7,400,000 in fiscal year 2018-19 and then \$6,600,000 in fiscal years beginning after June 30, 2019.

PREPARED BY: Lisa Taglang
House Appropriations Committee (R)

DATE: June 26, 2019

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