

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 2290

**PRINTER'S NO.** 4090

**AMOUNT**

FY 2010-11 \$48.146 million (First-Year Debt Service)

**FUND**

General Fund

**DATE INTRODUCED**

March 5, 2010

**PRIME SPONSOR**

Representative D. Evans

**HISTORY OF BILL**

Referred to APPROPRIATIONS, March 5, 2010

Reported as committed, March 8, 2010

First consideration, March 8, 2010

Laid on the table, March 8, 2010

Removed from table, March 8, 2010

Second consideration, March 10, 2010

Third consideration and final passage, March 15, 2010 (104-85)

(Remarks see House Journal Page ), March 15, 2010

In the Senate

Referred to FINANCE, April 12, 2010

Reported as committed, June 30, 2010

First consideration, June 30, 2010

Re-committed to FINANCE, June 30, 2010

Re-reported as amended, July 2, 2010

Second consideration, July 2, 2010

Re-referred to APPROPRIATIONS, July 2, 2010

Re-reported as committed, July 2, 2010

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 2290 amends the Capital Facilities Debt Enabling Act (Act 1 of 1999) by increasing the Commonwealth's General Obligation borrowing authority for redevelopment assistance capital projects by \$600 million. The current debt limitation is \$3.45 billion and it is proposed to increase this amount to \$4.05 billion.

**FISCAL IMPACT:**

The Commonwealth would incur additional costs to cover principal and interest payments on the bonds that are sold. For every \$100 million of bonds issued, it would cost approximately \$8.024 million per year for a term of 20 years, assuming a 5% rate using a level debt service methodology. Actual costs will depend on the amount of bonds sold, the interest rate they are sold at and the time of sale(s). Therefore, it is estimated that the first-year debt service to the Commonwealth would be \$48.146 million, assuming that the entire \$600 million in bonds would be issued during the fiscal year.