

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1007

PRINTER'S NO. 1121

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 28, 2011

PRIME SPONSOR

Senator Vogel

HISTORY OF BILL

Referred to COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
April 28, 2011

Reported as committed, June 13, 2011

First consideration, June 13, 2011

Re-referred to APPROPRIATIONS, June 20, 2011

Re-reported as committed, June 21, 2011

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1007 amends Chapter 15 of Title 64 (Public Authorities and Quasi-Public Corporations) relating to the Commonwealth Financing Authority, and, more specifically, the First Industries Program by extending the sunset dates of certain provisions regarding loan guarantees.

Under the First Industries Program, an applicant may request a guarantee for a loan to be made by a commercial lending institution or community development financial institution to assist with the financing of a project related to tourism or agriculture.

In order to be approved for a loan guarantee, current law requires that the project has been awarded a planning grant under § 1552 or that one of the following conditions is met: (1) at least \$1,000,000 of private funds are being invested in the project; or, (2) through June 30, 2011, that at least \$500,000 of private funds are being invested in the project. The legislation amends § 1552(e)(2) of Title 64 to extend from June 30, 2011 to July 15, 2015 the provision requiring that \$500,000 of private funds are being invested in the project.

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Under current law, through June 30, 2011, a guarantee of 51% to 90% of the principal amount of a loan to assist with the financing of a project related to agriculture may be awarded by the Commonwealth Financing Authority board. Senate Bill 1007 extends this provision through July 15, 2015. Similarly, after June 30, 2011, no Farm Credit Institution under the Farm Credit Act of 1971 shall be eligible for any loan guarantees under Chapter 15. Senate Bill 1007 extends this provision to July 15, 2015.

The Act shall take effect immediately.

FISCAL IMPACT:

It is presumed there would be no costs to the Commonwealth.