

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1268

**PRINTER'S NO.** 1774

**AMOUNT**

\$75,000,000

**FUND**

Disaster Relief Fund

**DATE INTRODUCED**

October 4, 2011

**PRIME SPONSOR**

Senator Gordner

**HISTORY OF BILL**

Referred to APPROPRIATIONS, Oct. 4, 2011

Reported as amended, Nov. 14, 2011

First consideration, Nov. 14, 2011

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 1268 provides for the highway capital budget project itemization for flood-damaged highways. The act shall be known and cited as the "Capital Budget Act of 2011 for Highways Damaged by Hurricane Irene and Tropical Storm Lee." This legislation authorizes the sale of up to \$75 million in bonds to be used for highway projects specifically itemized in sections 4 through 31 of this legislation and to be constructed by the Pennsylvania Department of Transportation.

Project itemizations within this legislation are restricted to the following counties:

- Adams
- Berks
- Bradford
- Bucks
- Chester
- Columbia
- Cumberland
- Dauphin
- Delaware
- Lancaster
- Lebanon
- Lehigh
- Luzerne
- Lycoming
- Monroe
- Montgomery
- Montour
- Northampton
- Northumberland
- Perry
- Philadelphia
- Schuylkill
- Snyder
- Sullivan
- Susquehanna
- Union
- Wyoming
- York

This legislation also appropriates all federal funds received for the construction of public highway projects specifically itemized within sections 4 through 31 of the legislation.

This act shall take effect immediately.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

### **FISCAL IMPACT:**

- **Highway Projects:** The total authorization for the capital projects itemized in the category of Highway Projects and to be constructed by the Department of Transportation and to be financed from debt incurred under clause (1) of subsection (a) of Section 7 of Article VIII of the Constitution of Pennsylvania shall be **\$75,000,000**.

In addition to the amortization of the principal amount of bonds issued, the Commonwealth will incur annual interest costs on those bonds. The estimated total debt service on \$75,000,000 in bonds, assuming a level annual debt service methodology, a term of 20 years and an interest rate of three and a half percent (3.5%), is \$105,542,000. This would amount to \$5,277,000 on an annual basis. The actual costs to the Commonwealth will be dependent on the amount of bonds sold and the current interest rate(s) at the time of the bond sale(s).