

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1002

**PRINTER'S NO.** 1178

**AMOUNT**  
\$1,275,000,000

**FUND**  
Capital Facilities Fund

**DATE INTRODUCED**  
June 7, 2013

**PRIME SPONSOR**  
Senator Corman

**HISTORY OF BILL**  
Referred to APPROPRIATIONS, June 7, 2013  
Reported as committed, June 17, 2013  
First consideration, June 17, 2013

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 1002 is the FY 2013-2014 Capital Budget Act. The Act establishes the maximum bond indebtedness that the Commonwealth may incur during the fiscal year for capital projects specifically itemized in a capital budget project itemization Act.

This legislation sets the maximum authorizations at the following amounts:

- Public Improvement Projects: \$695,000,000
- Furniture and Equipment Projects: \$ 10,000,000
- Transportation Assistance Projects: \$180,000,000
- Redevelopment Assistance Projects: \$340,000,000
- Bridge Projects: \$ 40,000,000
- Flood Control Projects \$ 10,000,000

**Total: \$1,275,000,000**

**FISCAL IMPACT:**

The Constitution of the Commonwealth of Pennsylvania limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five (5) fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit.

According to the Governor's Executive Budget Request for FY 2013-2014, the average tax revenues during the previous five (5) fiscal years are \$35,681,950,000 resulting in a debt limit of \$62,443,412,000. The Commonwealth's outstanding capital budget debt at the end of FY 2012-2013 will be \$9,758,618,000, which is 16.2% of the Constitutional limit and represents a projected increase of 0.2% from the previous fiscal year.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

The annual debt service on the \$1.275 billion mentioned above, calculated on a level debt basis, is estimated at \$89,710,373. This estimate assumes a term of twenty (20) years and an interest rate of three and a half (3.5) percent.

This Act does **not** itemize capital projects.

This Act shall take effect July 1, 2013 or immediately, whichever is later.