

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 166

PRINTER NO. 985

AMOUNT

\$1,010,000,000
Maximum Additional Authorized Debt

FUND

Capital Facilities Fund

DATE INTRODUCED

February 19, 2019

PRIME SPONSOR

Senator Hughes

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 166 provides for the Capital Budget Act of fiscal year 2019-2020. 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:

- Buildings and Structures: \$ 550,000,000
- Furniture and Equipment Projects: \$ 10,000,000
- Transportation Assistance Projects: \$ 175,000,000
- Redevelopment Assistance Projects: \$ 275,000,000
- Flood Control Projects: \$ 0

Total: \$1,010,000,000

This act shall take effect July 1, 2019, or immediately, whichever is later.

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.

Based on the Auditor General's most recent debt certification (dated February 28, 2019), the average annual tax revenue in all funds over the last five fiscal years was \$39.3 billion. The Commonwealth's net debt as of the end of the preceding fiscal year, as indicated on the most recent debt certification, totaled \$11.4 billion. Utilizing the constitutional debt limit formula, the Commonwealth could issue up to an additional \$57.4 billion as of that date, significantly more than the \$1 billion authorized in this bill.