

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 623

PRINTER NO. 1132

AMOUNT

\$1,335,000,000
Maximum Additional Authorized Debt

FUND

Capital Facilities Fund

DATE INTRODUCED

May 2, 2023

PRIME SPONSOR

Representative Harris

DESCRIPTION

House Bill 623 provides for the Capital Budget Act (act) of Fiscal Year 2023-24. The act establishes the maximum bond indebtedness 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: \$600,000,000
- Furniture and Equipment Projects: \$ 10,000,000
- Transportation Assistance Projects: \$350,000,000
- Redevelopment Assistance Projects: \$375,000,000
- Flood Control Projects: \$ 0

Total: \$1,335,000,000

This act shall take effect July 1, 2023, 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, 2023), the average annual tax revenue in all funds over the last five fiscal years was \$45.7 billion. The Commonwealth’s net debt as of February 28, 2023, totaled \$9.7 billion. Utilizing the constitutional debt limit formula, the Commonwealth could issue up to an additional \$70.3 billion as of that date, significantly more than the \$1.335 billion authorized in this bill.