

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1277

**PRINTER NO.** 1784

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 26, 2024

**PRIME SPONSOR**

Senator Argall

**DESCRIPTION**

Senate Bill 1277 establishes a freestanding act requiring the Department of General Services (department) to develop a plan for the divestiture of the Hamburg Center, the Polk Center and the White Haven Center.

The legislation requires the divestiture plan to include the following information: (1) a three-year plan to transfer each property from the Commonwealth to a buyer; (2) details regarding any discussions between the Commonwealth and any potential buyer of a property; (3) details regarding yearly costs for upkeep of each property from the date the centers were closed and projected costs through 2035 if the properties are not sold; (4) the costs associated with demolition of buildings located at each property; and (5) the costs associated with refurbishing buildings not structurally sound or safe to inhabit.

The legislation requires the plan to be submitted to the State Government Committee of the Senate and the State Government Committee of the House of Representatives within six months of the effective date of the legislation.

The legislation is scheduled to take effect immediately.

**FISCAL IMPACT:**

The enactment of Senate Bill 1277 will have no fiscal impact on Commonwealth funds. The administrative responsibilities delegated to the Department of General Services to develop the divestiture plan for the three properties are routine to its operations and can be accomplished within its existing general government operating budget, which in Fiscal Year 2024-25 is \$71,212,000.

Additionally, the ongoing annual maintenance costs for the three properties is significant, and the sale of the properties will result in a significant savings to the Commonwealth. Based on information contained in the Governor’s Executive Budget, the annual costs related to the three centers for Fiscal Year 2024-25 are estimated to be \$33,240,000. Following is a chart showing the costs for each of the centers.

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

State Center	\$\$\$
Hamburg Center	\$4,250,000
Polk Center	\$19,925,000
White Haven Center	\$9,065,000
Total	\$33,240,000

It should be noted that the costs related to the Polk Center include services for 27 residents.