

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1480

PRINTER'S NO. 2074

AMOUNT

\$1,675,000,000

FUND

Capital Facilities Fund

DATE INTRODUCED

March 30, 2012

PRIME SPONSOR

Senator Corman

HISTORY OF BILL

Referred to APPROPRIATIONS, March 30, 2012

Reported as committed, April 2, 2012

First consideration, April 2, 2012

Second consideration, April 3, 2012

Re-committed to APPROPRIATIONS, April 3, 2012

Re-reported as committed, May 8, 2012

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1480 is the FY 2012-2013 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: \$995,000,000
- Furniture and Equipment Projects: \$ 40,000,000
- Transportation Assistance Projects: \$210,000,000
- Redevelopment Assistance Projects: \$345,000,000
- Bridge Projects: \$ 85,000,000

Total: \$1,675,000,000

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.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

According to the Governor's Executive Budget Request for FY 2012-2013, the average tax revenues during the previous five (5) fiscal years are \$34,045,257,000 resulting in a debt limit of \$59,579,199,000. The Commonwealth's outstanding capital budget debt at the end of FY 2011-2012 will be \$9,589,980,000, which is 16.3% of the Constitutional limit and represents a projected increase of 1.3% from the previous fiscal year.

The annual debt service on the \$1.675 billion mentioned above, calculated on a level debt basis, is estimated at \$123,249,432. This estimate assumes a term of twenty (20) years and an interest rate of four (4) percent.

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