

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 2310

**PRINTER NO.** 3506

**AMOUNT**

See Fiscal Impact

**FUND**

Various Funds

**DATE INTRODUCED**

May 21, 2024

**PRIME SPONSOR**

Representative Takac

**DESCRIPTION**

House Bill 2310 amends the Fiscal Code to include the following provisions:

Agriculture Innovation Grant Program

This bill provides for the Agriculture Innovation Grant Program. The program shall provide grants for the following uses:

- **Planning Grants** – to develop strategic plans to improve agricultural practices, technologies or operation within a specific business, geographic area or network;
- **On-Site Project Grants** – to implement practices, technologies or approaches on an individual farm or property producing or processing an agricultural commodity; and
- **Regional Impact Project Grants** – to address challenges, promote efficiencies or achieve specific goals for multiple applicants.

*Fiscal Impact: The General Appropriation Act appropriates \$10,000,000 to the Department of Agriculture for the implementation of the program.*

State Health Insurance Exchange Affordability Program

This bill establishes the Affordability Assistance Program under the Pennsylvania Health Insurance Exchange Authority to provide financial assistance to eligible individuals purchasing health insurance policy through the exchange. This program is contingent on funds being available.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

Prudent Person Standard Extension

This bill provides for an extension of the prudent person standard for the State Treasurer to invest moneys through 2034.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

Oil and Gas Lease Transfer

This bill stops the transfer from the Oil and Gas Lease Fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund for Fiscal Year 2024-25.

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*Fiscal Impact: The Oil and Gas Lease Fund will realize a reduction in expenditures of \$9,944,000 for Fiscal Year 2024-25. The Marcellus Legacy Fund and Environmental Stewardship Fund will have no fiscal impact as a result of this provision. The transfer was previously utilized to pay the debt service on the Growing Greener bonds, which will be paid out of Personal Income Tax during Fiscal Year 2024-25.*

### Taxicab Vehicle Restrictions

This bill prohibits certain vehicles from continuing to operate as a taxicab.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Intermediate Care Facilities Assessment

This bill extends the monetary assessment on each intermediate care facility until June 30, 2029, in order to generate additional revenues for medical assistance program recipients to have access to medically necessary intellectual disability services.

*Fiscal Impact: The ICF/ID Assessment extension maintains these revenues used to support facilities through June 30, 2029. In Fiscal Year 2024-25, the assessment is projected to generate \$34,400,000: \$24,600,000 million from the assessment on services provided in private ICFs/ID and \$9,800,000 from the assessment on services provided in state centers.*

### Hospital Assessment

This bill extends the monetary assessment on Philadelphia hospitals until June 30, 2029, in order to generate additional revenues for the purpose of assuring that medical assistance recipients have access to hospital services and that all citizens have access to emergency department services.

*Fiscal Impact: The Philadelphia hospital assessment revenue for the Commonwealth totals \$251,800,000 per year. In addition, Philadelphia hospitals will receive \$462,000,000 annually, as well as the city of Philadelphia which will receive \$12,000,000 annually from this assessment.*

### PA Minority Business Development Authority Reauthorization

This bill extends the Pennsylvania Minority Business Development Authority.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Pennsylvania Convention Center

This bill provides for the extension of the termination date of the operating agreement for the Pennsylvania Convention Center until December 31, 2069.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Tobacco Settlement Fund

This bill provides for the extension of the transfer of revenues from the Cigarette Tax to the Tobacco Settlement Fund for annual debt service for Fiscal Year 2024-25. The

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bill also provides for the Fiscal Year 2024-25 distribution of Tobacco Settlement Fund payments as follows:

- 4.5% for tobacco use prevention and cessation programs (\$14,991,000);
- 8.82% for Health Research - Health Priorities formula-based grants (\$29,383,000);
- 2.61% for Health Research – Pediatric Cancer (\$8,694,000);
- 0.87% for biotechnology research equipment grants (\$2,898,000);
- 0.30% for spinal cord injury research programs (\$1,000,000);
- 1% for health and related research under Section 909 of the Tobacco Settlement Act (\$3,331,000);
- 8.18% for the Uncompensated Care Payment Program (\$27,250,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (\$99,941,000); and
- 43.72% shall remain in the fund to be separately appropriated for health-related purposes (\$145,647,000).

*Fiscal Impact: The transfer from the Cigarette Tax for debt service for Fiscal Year 2024-25 is \$115,300,000. The percentage allocations result in appropriations from the Tobacco Settlement Fund for health-related programs in Fiscal Year 2024-25 of \$333,135,000.*

### Distribution from the Pennsylvania Race Horse Development Fund

This bill provides for weekly transfers to be deposited in the Race Horse Development Restricted Receipts Account. Transfers will begin on the effective date of the related clause and will be set at an amount necessary to provide a total of \$5,309,000. In addition, language is provided to require the Department of Revenue to transfer \$10,425,000 to the State Racing Fund for costs associated with the enforcement of medication rules in horse racing.

*Fiscal Impact: The enactment of these provisions will provide \$5,309,000 for agricultural-related programs and \$10,425,000 for enforcement of medication rules and regulations in Fiscal Year 2024-25.*

### Workers' Compensation Assessment Refund

This bill will require the Insurance Department to provide a refund of assessments paid plus interest to carriers who apply to the department within the designated timeframe.

*Fiscal Impact: This provision is anticipated to have a \$36,000,000 impact on the Workers' Compensation Security Fund.*

### Clean Streams Distribution

This bill changes the distribution of fund from the Clean Streams Fund as follows:

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- 71.5% to the Agriculture Conservation Assistance Program;
- 12% to the Pennsylvania Clean Water Procurement Program;
- 10% to the Nutrient Management Fund;
- 4% to the Storm Water Management Act;
- 2% to the Acid Mine Drainage Abatement and Treatment Fund; and
- 0.5% to the Keystone Tree Restricted Account.

*Fiscal Impact: Changes to the Tax Reform Code provide for a \$50,000,000 annual transfer from Personal Income Tax revenue to Clean Streams Fund to be distributed under the new distribution.*

### Service Infrastructure Improvement Fund

This bill provides for the allocation of funds from the employee contribution to the Unemployment Compensation Trust Fund to the Service Infrastructure Improvement Fund for the administration of the Unemployment Compensation system.

*Fiscal Impact: The enactment of this provision will provide for \$68,000,000 to be deposited into the Service Infrastructure Improvement Fund.*

### American Rescue Plan Reallocation

This bill provides for the reallocation of unexpended funds received under the American Rescue Plan and appropriated from the COVID-19 Response Restricted Account to the Department of Corrections.

*Fiscal Impact: This provision is anticipated to reallocate \$60,000,000 from funds received under the American Rescue Plan to the Department of Corrections.*

### Enterprise and Technology Restricted Account

This bill provides for the deposit of \$65,000,000 of previously appropriated funds into the Enterprise and Technology Restricted Account to be utilized for the implementation of Information Technology projects.

*Fiscal Impact: This provision appropriates \$65,000,000 of previously appropriated funds as follows: \$38,000,000 for Enterprise Systems Lifecycle project, \$21,000,000 for the Commonwealth Office of Digital Experience and \$6,000,000 for Teacher Information Management System and Professional Education Management Records System projects.*

### Western Animal Diagnostic and Testing Laboratory

This bill provides for the reallocation of previously appropriated avian influenza funds to be utilized for operations of a new animal diagnostic and testing laboratory.

*Fiscal Impact: This provision allocates \$6,000,000 previously appropriated for avian influenza to be utilized for the operations of a new animal diagnostic and testing laboratory.*

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### Avian Flu Rapid Testing

This bill provides for the use of previously appropriated avian influenza funds to be utilized for rapid avian influenza testing services.

*Fiscal Impact: This provision allows for the allocation of previously appropriated funds for avian influenza to be utilized for rapid avian influenza testing services.*

### Keystone Opportunity Zone Land Swap

This bill allows for the Department of Community and Economic Development to approve the substitution of parcels within a Keystone Opportunity Zone.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Philadelphia KOZ

This bill allows for real property to be entirely owned by an affiliate of one city.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Philadelphia Property Release

This bill provides for the release of property in the city of the first class from the requirements of the deed into which it was originally designated.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Reemployment Fund Reauthorization

This bill provides for the reauthorization of the Reemployment Fund and extends the expiration date until September 30, 2028. It also changes the amount of the employee contribution directed to the fund from five percent of contributions to \$15,000,000.

*Fiscal Impact: This provision reauthorizes the Reemployment Fund and allocates \$15,000,000 from employee contributions to the fund.*

### Grants to Fire and Emergency Medical Services Program Reauthorization

This bill provides for reauthorization and extension of the Fire Company Grant and Emergency Medical Services Grant programs to December 31, 2029.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### School Improvement Grants

This bill removes the funding rubric provision relating to the school facilities program within the Commonwealth Financing Authority.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Solar for Schools

This bill provides for solar projects to be an allowable use for the School Facilities Program.

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*Fiscal Impact: This provision includes a set-aside of \$25,000,000 from funds appropriated for school facilities upgrades to be used for solar upgrade projects.*

### Mixed Use Revitalization

This bill allows for the reallocation of unspent funds within the Commonwealth Financing Authority to be used for mixed use site revitalization.

*Fiscal Impact: This provision allocates \$10,000,000 from unspent funds within the Commonwealth Financing Authority - Building Pennsylvania Program to be utilized for this program.*

### Court Fees

This bill extends provisions within Title 42 relating to fees charged by the courts from January 1, 2025, to January 1, 2040.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Payment-in-Lieu-of-Taxes

This bill increases the payment in lieu of taxes made by the Department of Conservation and Natural Resources, Fish and Boat Commission and Game Commission on lands in the Commonwealth to \$3.00 per acre. The increased costs will be incurred by the State Gaming Fund. It also provides for an adjustment to the amount paid by the fund based on the change in Consumer Price Index every five years.

*Fiscal Impact: For FY 2024-25, it is anticipated that the additional cost to the State Gaming Fund will be \$4,000,000.*

### Multimodal Transportation Fund

This bill provides that the match requirements for the Commonwealth Financing Authority portion of the program are expanded to include local, regional or metropolitan transportation authorities. The provision of this section is extended to December 31, 2025.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Transportation and Multimodal Improvement Projects

This bill provides for the allocation of \$161,000,000 for mass transit operations and infrastructure projects.

*Fiscal Impact: This provision allows for \$161,000,000 to be distributed as follows: \$80,500,000 to the Public Transportation Trust Fund to be utilized for mass transit operations and \$80,500,000 to be distributed by the department for infrastructure projects.*

### School Safety and Security Fund Transfer

This bill provides for the suspension of the transfer of funds from the Judicial Computer Account to the School Safety and Security Fund for Fiscal Year 2024-25 and 2025-26.

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*Fiscal Impact: This provision would suspend the transfer of \$15,000,000 from the Judicial Computer Account to the School Safety and Security Fund for Fiscal Year 2024-25 and 2025-26.*

### Growing Greener Debt Service Transfer

This bill authorizes the transfer of funds to the Environmental Stewardship Fund from Personal Income Tax revenue for the payment of debt service on the Growing Greener bonds.

*Fiscal Impact: The provision results in the transfer of \$9,944,000 to the Environmental Stewardship Fund from Personal Income Tax revenue in the General Fund.*

### Well Plugging Restricted Revenue Account Transfer

This bill authorizes the transfer of funds from the Waste Transportation Safety Account to the Well Plugging Restricted Revenue Account.

*Fiscal Impact: The provision results in the transfer of \$5,000,000 to the Well Plugging Account from the Waste Transportation Safety Account.*

### Crime Victim Service and Compensation Fund Transfer

This bill transfers funds from the Gaming Control Board to the Crime Victim Services and Compensation Fund.

*Fiscal Impact: This provision transfers \$5,000,000 from funds under the control of the Gaming Control Board to the Crime Victim Services and Compensation Fund.*

### Streamlining Permits for Economic Expansion and Development (SPEED) Program

This bill provides for the implementation of the SPEED program within the Department of Environmental Protection which allows for the third-party review of certain permits issued by the department.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### PA SITES

This bill creates the PA Strategic Investment to Enhance Sites (PA SITES) Program to provide grants to municipalities and redevelopment authorities to develop comprehensive real estate plans, develop industrial sites and develop or convert buildings or land for mixed-use development.

*Fiscal Impact: This provision allows for the Pennsylvania Economic Development Financing Authority (PEDFA) to issue up to \$500,000,000 in bonds. The General Appropriation Act appropriates \$15,404,000 to pay debt service on the bonds.*

### Fire and Emergency Medical Services Funding Pilot Programs

This bill allows for certain municipalities to levy annual taxes to fund fire and EMS services.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

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### Rodeos

This bill allows for rodeos to be conducted up to 20 days per year in municipalities that have ordinances with prohibitions on such events.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*