

# FISCAL NOTE

June 17, 2019

<b>Bill No:</b>	SB 31	<b>Printer's No:</b>	649	<b>Sponsor:</b>	Haywood (D)
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### COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund	See "FISCAL IMPACT"	See "FISCAL IMPACT"

**SUMMARY:** SB 31 amends the Housing Finance Agency Law to remove the \$25 million cap on the deposit of Realty Transfer Tax (RTT) revenue into the Housing and Rehabilitation Enhancement ("PHARE") fund.

**ANALYSIS:** Under Act 58 of 2015, Pennsylvania House Finance Agency (PHFA) receives RTT revenue in the PHARE fund at an amount equaling the lesser of \$25 million or 40% of the difference between the amount of RTT collected in the previous fiscal year and the amount of RTT collected in fiscal year 2014-15. The bill changes the funding formula to simply 40% of the difference between the amount of RTT collected in the previous fiscal year and the amount of RTT collected in fiscal year 2014-15.

SB 31 takes effect 60 days after passage.

**FISCAL IMPACT:** SB 31 will carry the following cost to the General Fund based on RTT projections:

FISCAL YEAR	2020-2021	2021-2022	2022-2023	2023-2024
Current Law	\$25 million	\$25.0 million	\$25.0 million	\$25.0 million
Proposed Law	\$61 million	\$69.2 million	\$77.6 million	\$81.6 million
<b>Difference</b>	<b>\$36 million</b>	<b>\$44.2 million</b>	<b>\$52.6 million</b>	<b>\$56.6 million</b>