

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB2176

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Bennett

3. Committee Counties, Cities and Towns

4. Title Continuation of state aid to certain localities.

5. Summary/Purpose:

Provides that the Commonwealth shall continue to distribute certain state funds to localities at the same level such funds would have been provided had no consolidation taken place. This bill applies to consolidations that take place after January 1, 1995. The 2000 General Assembly extended the hold harmless provision for reversion from 5 to 15 years, and that bill went into effect on July 1, 2000. South Boston reverted to town status in Halifax County at midnight, June 30, 1995, the five-year hold harmless period which was in effect at the time of the City's reversion expired on June 30, 2000. The bill clarifies that the new 15-year hold harmless period now applies to Halifax County.

6. Fiscal Impact: Indeterminate

7. Budget amendment necessary: No

8. Fiscal implications:

Analysis of the bill involves a large number of variables encompassing several State programs, it is extremely difficult to determine the fiscal impact on the Commonwealth of the proposed legislation. In the case of Halifax County, the state would not be required to appropriate any additional funds for the continuation of the hold harmless period compared to the local support it currently provides since the Commonwealth has maintained its enhanced support for that county for the past five years. This bill, however, would delay any savings that the State may realize from the termination of its higher level of support for Halifax County.

A review the proposed Clifton Forge reversion indicates that the largest dollar areas affected are, State aid for elementary and secondary education [hold harmless the basic aid formula], constitutional officers, and maybe HB 599 grants for local police departments.

9. Specific agency or political subdivisions affected: Department of Education, State Compensation Board, Department of Criminal Justice Services, Counties, towns and cities.

10. Technical amendment necessary: No

11. Other comments: No

Date: 1/18/01 mtb

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cc: Secretary of Administration
Secretary of Education
Secretary of Public Safety

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